CANADA'S PUBLIC SPACE

2015-2016 ANNUAL REPORT

CBC Radio-Canada

CBC/RADIO-CANADA'S COMMITMENT TO TRANSPARENCY AND ACCOUNTABILITY

As the national public broadcaster, we take very seriously our obligation to be transparent and accountable to Canadians. To meet our responsibilities, we provide access on our corporate website to information about our activities and the way we manage our public resources.

HR COMPLIANCE

- **Annual Review** on Implementation of Section 41 of the *Official Languages Act* to Canadian Heritage
- **Annual Review** on Parts IV, V and VI of the *Official Languages Act* to Treasury Board of Canada Secretariat
- **Annual Report** on Employment Equity to Employment and Social Development Canada (ESDC)
- **Annual Report** on Multiculturalism to Citizenship and Immigration Canada

RESPONSES TO ACCESS TO INFORMATION AND PRIVACY (ATIP) REQUESTS

CORPORATE REPORTS

- Annual Report
- Quarterly financial reports
- Corporate Plan and Corporate Plan Summary
- CBC Pension Annual Report
- Public Accounts of Canada
- The *Strategy 2020* Performance Report
- The Mandate and Vision Perception Survey
- Environmental performance reports
- Reports on the implementation of the *Access to Information Act* and *Privacy Act*, and on any disclosure of wrongdoings (under the *Public Servants Disclosure Protection Act*)

POLICIES AND PRACTICES

- Journalistic Standards and Practices
- Code of Conduct

TRANSPARENCY & ACCOUNTABILITY BULLETIN

APPEARANCES BEFORE PARLIAMENTARY COMMITTEES

OMBUDSMEN REPORTS

- Board must respond to Ombudsmen Reports and table responses with the CRTC

OFFICE OF THE AUDITOR GENERAL (OAG)

- Annual OAG Attest Audit

PROACTIVE DISCLOSURE

- Proactive Disclosure web pages (including posting of travel and hospitality expenses of the Chair and Executives, as well as Board meeting documents)

ANNUAL PUBLIC MEETING

REPORTING TO THE CRTC

- Periodic licence renewals
- Annual reporting to the CRTC covering
  Each of the Corporation's licensed radio, television and specialty services
  New media reporting requirements
- Official Language Minority Communities (OLMCs) reports: annual reporting covering measures taken to meet the needs of OLMCs; the results of surveys on OLMCs' perception of how well CBC/Radio-Canada services reflect their needs and realities; and reports on all programs that are produced in OLMCs and/or reflect these communities in their content

MESSAGE FROM THE CHAIR

In this time of internet-driven change, innovation and flexibility are critical elements for any large organization. Following a series of difficult decisions over the past several years, it is inspiring to see the important progress taking root at CBC/Radio-Canada, all while the Corporation adapts to significant changes in the media industry.

As a Board, we are committed to ensuring CBC/Radio-Canada can fulfil its mandate to inform, enlighten and entertain Canadians amidst an era of unprecedented transformation. This is why we were proud to drive a digital-first strategy that is aligned with Canadians' evolving consumption habits.

Two years into our strategy, we are deepening our regional presence, creating high-quality content and seeing tangible results in our digital-first strategy. We have also received a strong vote of confidence from the federal Government in the form of a stable, predictable funding increase of an additional $75 million in 2016-2017 and $150 million per year on an ongoing basis. It is the first increase of its kind in decades and one of which the Corporation must take full advantage. We need to continue focusing our efforts on ensuring the Corporation remains a leader in the digital shift happening across the broadcast industry.

The Board of Directors fully supports the path to 2020 set out for the public broadcaster and I look forward to working with them in the year ahead. We will continue to provide guidance and leadership as CBC/Radio-Canada evolves into an even more dynamic, digital, public space in which Canadians can gather, discuss, debate and enjoy world-class content.

I would like to take this opportunity to thank both Brian Mitchell, who resigned from the Board in April after eight years of tireless service, and Pierre Gingras who resigned in October, for their hard work and dedication.

I am confident that this annual report highlights the many positive changes that are taking place across the Corporation, and that more and more Canadians will join the conversation as we continue to strengthen our role as Canada's public broadcaster.

Rémi Racine
Chair, Board of Directors

MESSAGE FROM PRESIDENT AND CEO

In this "always on", global, digital space, what Canadians need more than ever is a Canadian *public* space. A space that serves the public interest; that informs Canadians about their country; that encourages them to connect with each other; that elevates our stories and our values; that builds social cohesion. This is what public broadcasting is uniquely qualified to do.

Our plan towards 2020 is built around this concept. But to strengthen our connection with Canadians, we have had to change *how* we connect with them; and change faster than anyone expected. Our challenge as the public broadcaster – and our opportunity – continues to be meeting the many different needs of those we serve in this age of constant change. We have to be connected and relevant to the digital generation. And, at the same time, we have to ensure that we don't leave other Canadians behind.

So, where are we now? We have all been witnessing the public broadcaster's transformation and it's really incredible to see. Today, we are Canada's biggest online media destination for news and information. Every month in 2015-2016, almost 15 million Canadians used our digital sites. That number has increased by three million in the past year alone, and more than half of those people are reaching us through their smartphones. The *Business Highlights* section of this annual report discusses these and other developments in detail and in the context of *Strategy 2020*.

In March, we received a tremendous vote of confidence in our efforts from the federal government through an important reinvestment: an additional $75 million in 2016-2017 and $150 million per year on an ongoing basis. This commitment allows us to accelerate our plans to transition the organization to where it needs to go - richer, modern content and the digital expertise and platform we need for the future. You can read more about how we will use this investment in the *Our Strategic Plan* section of this annual report.

Yes, there will continue to be challenges. A modern broadcasting business model needs to reflect modern business realities. The current one is still broken. The Government's consultation on the future of Canadian Content in a Digital World, announced in April, is a very important step in addressing this challenge. We look forward to providing whatever support we can.

We've learned a lot about transformation over the past several years, and we will continue to learn going forward. We'll lead by example in how to evolve, and constructively engage our audience in a fast-moving media environment. Looking ahead, both the Rio 2016 Olympic Games and Canada's 150th anniversary of Confederation in 2017 offer even more new and exciting opportunities to engage with our audiences.

I think the key point is this: transformation has no finish line. Our country is evolving and the public broadcaster will be evolving along with it. That is how we will ensure Canada has its own, true, public space. And, there is not a team better-placed to make that happen.

Hubert T. Lacroix
President and CEO

FINANCIAL HIGHLIGHTS

2016 TARGETS

Under our strategic plan, ***Strategy 2020***, we aim at achieving sustainable financial health, including the ability to invest in the future.

2016 RESULTS

Two years into our new strategic plan, we have been able to invest in our content across our platforms, while also lowering our cost base.

2017 TARGETS

We will continue investing in key programming content, including the upcoming 2016 Rio Olympics. In addition, we will continue to focus on reducing our cost base, enabling us to be agile.

SELF-GENERATED REVENUE

2015-2016: $528 M
2014-2015: $600 M
Total decrease: ▼ ($72 M)

Events: ▼ ($64 M)
Ongoing: ▼ ($8 M)

EVENTS

Lower event revenue as:

- Last year's events included revenue from broadcasting both the 2013-2014 NHL hockey season playoffs and the 2014 FIFA World Cup Brazil; and
- The Local Programming Improvement Fund (LPIF), created to help fund local programming, was discontinued in August 2014.

Partially offsetting these decreases was additional revenue from covering the Toronto 2015 Pan Am and Parapan Am Games in the summer of 2015.

ONGOING ACTIVITIES

Revenue from our ongoing activities decreased as follows:

- The Corporation's conventional TV advertising revenue declined, consistent with the Canadian TV market overall; and
- Our rental income was also lower following the sale of our mobile production assets and due to a decrease in rental income from independent producers, as anticipated.

Partly offsetting these decreases were:

- An increase in digital advertising revenue as we increase our focus on these platforms; and
- Additional subscriber revenue generated on French Services' specialty platforms despite the cable industry's overall downward trend.

OUR EXPENSES

2015-2016: $1,620 M
2014-2015: $1,722 M
Total decrease: ▼ ($102 M)

Events: ▼ ($69 M)
Ongoing: ▼ ($33 M)

EVENTS

We spent less on producing and covering events this year. Our prior year expenses included costs to cover the 2013-2014 NHL hockey season playoffs and the 2014 FIFA World Cup Brazil games.

Partially offsetting these decreases were additional expenses incurred this year to cover the Toronto 2015 Pan Am and Parapan Am Games.

ONGOING ACTIVITIES

Our ongoing operating expenses decreased this year, mostly as a result of:

- Cost-reduction initiatives across the Corporation, providing approximately $60 million in annual savings; and
- Last year's results included one-time restructuring expenses.

Approximately $30 million of savings from these cost-reduction initiatives were reinvested in programming content, in line with our strategic plan.

GOVERNMENT FUNDING

2015-2016: $1,027 M
2014-2015: $1,036 M
Total decrease: ▼ ($9 M)

Our appropriations for operating activities remained consistent with last year. The slight decrease in Government funding is caused by the timing of capital funding recognized.

NET RESULTS

Results on a Current Operating Basis were a gain of $0.7 million this year. This result is close to breakeven, consistent with management's objective to balance the Corporation's budget. Last year's Results on a Current Operating Basis were higher at $19.2 million, in large part because we sold a portion of our interest in SiriusXM Canada Holdings Inc. (SiriusXM) in July 2014.

	For the year ended March 31		
(in thousands of Canadian dollars)	2016	2015	% change
Revenue	528,386	600,135	(12.0)
Expenses	1,619,565	1,722,292	(6.0)
Results before Government funding and non-operating items	(1,091,179)	(1,122,157)	2.8
Government funding	1,026,929	1,036,096	(0.9)
Results before non-operating items	(64,250)	(86,061)	25.3
Net results under IFRS for the year	(63,993)	(47,391)	(35.0)
Results on a Current Operating Basis[1]	694	19,224	(96.4)

[1] Results on a Current Operating Basis is a non-IFRS measure. This excludes items that do not generate or require funds from operations. A reconciliation of net results to Results on a Current Operating Basis is provided in the *Financial Sustainability* section of this report.

Net results under IFRS were a loss of $64.0 million, greater than the loss of $47.4 million in 2014-2015. The decrease this year is due in large part to proceeds of $33.5 million recorded in 2014-2015 from selling a portion of our interest in SiriusXM in July 2014.

Results before non-operating items exclude, among other things, the gain on SiriusXM recorded last year. This measure better shows the improvement in our results achieved from lower operating expenses more than offsetting revenue decreases. We also reinvested in our content and produced special events such as the Toronto 2015 Pan Am and Parapan Am Games this year.

Johane Despins and Denis Gagné, hosts of *L'épicerie*, ICI Radio-Canada Télé

BUSINESS HIGHLIGHTS

We are transforming the public broadcaster into a more modern, accessible media organization to better fulfill our role as Canada's public space. The following business highlights demonstrate the progress we made this year towards achieving our *Strategy 2020* goals.

TOWARDS FINANCIAL SUSTAINABILITY

In March, the federal government announced an important reinvestment in the public broadcaster: an additional $75 million in 2016-2017 and $150 million per year on an ongoing basis. Our plans for this reinvestment are all about content: creating new content and making it more accessible than ever across our platforms. This is fully aligned with our strategic plan and stable, multiyear funding will enable us to carefully map-out how to best use these additional funds in the years ahead.

CONTENT AND SERVICES

EMBRACING OUR DIGITAL SHIFT

Embracing our digital shift means rethinking how we produce, format and distribute content. Digital is no longer seen as a separate entity; it is woven into all that we do as we work towards a truly multiplatform experience across our services. Over the past year, we advanced our digital offering, going beyond ensuring that traditional broadcasted content receives a second life on digital platforms. For example, shows like *Keeping Canada Alive* included six hour-long television episodes, but also more than 40 hours of online content, including extended breakout footage, original content, as well as an online 24-hour stream of raw footage. Moreover, shows like *Le nouveau show* and *Série noire* were first released digitally, and then on conventional and specialty television, experimenting with our multiplatform/multiscreen strategy.

In 2015-2016, almost 15 million Canadians used CBC/Radio-Canada's digital sites every month – more than half of them through their mobile devices.

And that number has increased by 3 million in the past year alone.[1]

Going beyond podcasting original radio content, Radio-Canada is increasing the availability of digital content with its newly launched digital service, Première PLUS. Audiences can now stream and binge-listen to a huge collection of high-quality audio selections that is tailored to their own interests. We are also working to establish watch.cbc.ca as a best-in-class Over-the-Top (OTT) CBC video experience, one that over time will replace our current CBC Player as our go-to digital home for full-length programming. Radio-Canada is also increasing the amount of digital news available, with a priority on mobile and an updated Radio-Canada Information mobile app.

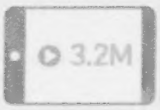
We were excited to apply our enhanced digital approach to our PanAm Games coverage in the summer. As we noted in our Q2 report, we reached more than 22 million Canadians. Digitally, our mobile app garnered 30 million page views and more than 3.2 million video views on the web.[2]

TORONTO 2015 PAN AM GAMES

Canadians reached

Pop. reached

Page views



Video views
(via mobile app)

Source: Adobe Analytics, App Annie and Numeris

EXPANDING OUR REGIONAL PRESENCE

As part of our regional strategy, we continue to create new opportunities to tell stories and engage our audiences with more coverage of the local issues that matter to them. In 2015-2016, we were able to reinvest in a more comprehensive local news offering by applying our digital-first strategy, and adjusting the length of TV supper-hour news to either 30 or 60 minutes. Specifically, this means more region-specific websites with content published throughout the day, adapted to all screen sizes and mobile devices; and more updates simultaneously broadcast on local morning radio shows and TV through visual radio, a new and innovative production method.

BUILDING PARTNERSHIPS

Building partnerships is another important way for us to strengthen our role as Canada's public space. A collaboration effort between Radio-Canada and Facebook to get exclusive access to its data during the federal election campaign and on election night, a first in French-language Canadian broadcasting, illustrates how Radio-Canada continues to be a leader in political coverage and analysis. In addition, English Services launched the CBC|Fullscreen Creator Network partnership with the goal of learning more about the dynamics of YouTube creator channels.

[1] Source: comScore.
[2] Source: Adobe SiteCatalyst and Numeris.

We continue to build our brand as Canada's Olympic Network and Official Broadcaster with an extension of our partnership agreement with the International Olympic Committee (IOC) to cover the Beijing 2022 Olympic Winter Games and the 2024 Olympic Games. The IOC decision is a vote of confidence after our exceptional coverage and digital offerings from the Sochi 2014 Olympic Winter Games – the most-watched Olympics in history, a success we hope to build on together with our broadcast partners from Bell Media and Rogers Media for the Rio 2016 Olympic Games.

In addition, following the CRTC's decisions from the *Let's Talk TV* consultations, we are in ongoing negotiations with licensed distributors of our programming content (cable and satellite) to produce a new contractual relationship that encompass the regulatory changes.

More detailed programming information is available in the *Content and Services* section of this Annual Report.

SMARTER INFRASTRUCTURE

This year saw progress in our infrastructure strategy, as we review our requirements across the country to ensure we occupy the right amount of space and that we provide our employees with a modern, inspiring work environment and current technologies to produce even better content. In 2015-2016, our Sudbury and Moncton stations underwent this renewal process, with staff being moved into more modern facilities, closer to the communities they serve, while at the same time reducing our overall real estate footprint. We also announced we will be selling our existing Calgary location and moving into a new, right-sized leased facility that will allow us to fully modernize our operations in this location.

Meanwhile, we continue to explore options surrounding our two largest real estate holdings: the Toronto Broadcast Centre and Maison de Radio-Canada (MRC), with the ultimate goal of reducing our investment in infrastructure and redirecting important savings back into content, while at the same time meeting the needs of a modern public broadcaster. The MRC project took a major step forward in May 2016, when the Board of Directors shortlisted two proposals for a new facility, both of which would see MRC remain on a portion of the same site. Regarding the sale of the existing facility, the final phase of the process will continue with four proponents to maintain a high level of competition in the market and guarantee the best possible offer at the end of the process. The final choice of proposal, both for the new MRC and the sale of the existing facility, is expected in fall 2016 and will need to be approved by the Treasury Board.

Abroad, both networks extended our international capabilities with CBC opening a bureau in Moscow, while Radio-Canada relocated its Paris office within the headquarters of TV5MONDE, the largest French-language network in the world, granting us access to international Francophone audiences.

SUPPORTING OUR PEOPLE

Our employees are the public broadcaster's best and most important resource. From the continued training and development made available to all employees who are making the transition to digital, to progress in implementing recommendations that came out of the Rubin report, the Corporation is continuing our efforts to support our teams across the country and to make CBC/Radio-Canada a place where we can all be proud to work. You can read more in the *People and Culture* section of this Annual Report.

CBC Vancouver marching in the 2016 Lunar New Year parade

TABLE OF CONTENTS – MANAGEMENT DISCUSSION AND ANALYSIS

Pages

About Us 10
- Our Mandate 10
- Our Operations 11
- Our Operating Environment 12
- Our Strategic Plan 13
- Measuring Our Performance 14
- Performance Highlights 14

Content and Services 17
- Our Services 17
- Year in Review 18
- Canadian Content 22
- Outlook 23

Infrastructure 24
- Our Assets 24
- Year in Review 24
- Outlook 24

People and Culture 25
- Our Workforce 25
- Year in Review 25
- Outlook 27

Financial Sustainability 28
- Revenue and Other Sources of Funds 28
- Financial Condition, Cash Flow and Liquidity 29
- Borrowing Plan 30
- Year in Review – Our Results 31
- Outlook 37

Risk Management and Governance 38
- Risk Management and Key Risk Table 38
- Board and Management Structure 42
- Year in Review 43

Financial Reporting Disclosure 45
- Future Accounting Standards 45
- Key Accounting Estimates and Critical Judgments 45
- Transactions with Related Parties 45

Financial Review 45
- Internal Controls 45

Management's Responsibility for the Consolidated Financial Statements 46

NOTE REGARDING FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements about strategy, objectives, and expected financial and operational results. Forward-looking statements are typically identified by words such as "may," "should," "could," "would," and "will," as well as expressions such as "believe," "expect," "forecast," "anticipate," "intend," "plan," "estimate" and other similar expressions. Forward-looking statements are based on the following broad assumptions: CBC/Radio-Canada's government funding remains consistent with amounts announced in the federal budget, and the broadcasting regulatory environment will not change significantly. Key risks and uncertainties are described in the ***Risk Management and Governance*** section of this report. However, some risks and uncertainties are by definition difficult to predict and are beyond our control. They include, but are not limited to, economic, financial, advertising market, technical and regulatory conditions. These and other factors may cause actual results to differ substantially from the expectations stated or implied in forward-looking statements.

NON-IFRS MEASURE

This report includes the measure Results on a Current Operating Basis, which does not have any standardized meaning according to IFRS. It is therefore unlikely to be comparable to similar measures presented by other companies. Refer to the ***Financial Sustainability*** section for further details.

ABOUT US

OUR MANDATE

We are Canada's national public broadcaster and we are guided by the ***Broadcasting Act***.

The ***Broadcasting Act*** states that "the Canadian Broadcasting Corporation, as the national public broadcaster, should provide radio and television services incorporating a wide range of programming that informs, enlightens and entertains.

CBC/Radio-Canada serves the public interest through its programming that should:

- Be predominantly and distinctively Canadian and reflect Canada and its regions to national and regional audiences, while serving the special needs of those regions;
- Actively contribute to the flow and exchange of cultural expression;
- Be in English and in French, reflecting the different needs and circumstances of each official language community, including the particular needs and circumstances of English and French linguistic minorities;
- Strive to be of equivalent quality in English and French;
- Contribute to a shared national consciousness and identity;
- Be made available throughout Canada by the most appropriate and efficient means and as resources become available for the purpose; and
- Reflect the multicultural and multiracial nature of Canada."

In addition to this domestic mandate, we are also required by section 46(2) of the Act to provide an international service, Radio Canada International (RCI). In keeping with that requirement, RCInet.ca is available in five languages: English, French, Spanish, Arabic and Mandarin.

Our vision is to be the recognized leader in expressing Canadian culture and to enrich the democratic life of all Canadians.

In establishing and operating our broadcasting activities, we are expected to comply with licensing and other regulatory requirements established by the Canadian Radio-television and Telecommunications Commission (CRTC), as well as any requirements under the ***Radiocommunication Act*** that may apply to our use of the radiocommunication spectrum.

Rebecca Makonnen and Philippe Fehmiu of ICI Musique

OUR OPERATIONS

As of March 2016, we employed 6,419 permanent full-time equivalent employees (FTEs), 182 temporary FTEs and 612 contract FTEs.

Our head office is located in Ottawa, with main network operations in Toronto and Montreal. We originate local programming from 27 television stations, 88 radio stations and one digital station. We have two main television networks – one in English and one in French – five specialty television channels and four Canada-wide radio networks, two in each official language. We integrate content across multiple websites. Internationally, CBC/Radio-Canada has nine permanent foreign bureaus.

This map denotes the locations of our CRTC-licensed and affiliated radio and television stations across Canada, as well as our designated digital station. Note that digital services are also offered in the other stations, as a matter of course. The map does not include our additional newsgathering locations and international news bureaus.

CBC/Radio-Canada holds an open house for the new Main Street Station in Moncton, New Brunswick

OUR OPERATING ENVIRONMENT

A PUBLIC BROADCASTER WITH UNIQUE CHARACTERISTICS

CBC/Radio-Canada has a hybrid funding model and competes for audiences and decreasing advertising revenue in the Canadian media market, while also being accountable to the *Broadcasting Act* for additional language and content requirements. However, like all broadcasters, both in Canada and internationally, we are in the process of adjusting to the dramatic digital shift that is occurring in the consumption habits of audiences. The exception, of course, is that Canada is bilingual and we are therefore conducting this shift in both official languages.

Of CBC/Radio-Canada's total revenue in 2015-2016:

66% is government funding
16% is from advertising
9% is from subscriptions
9% is from other sources

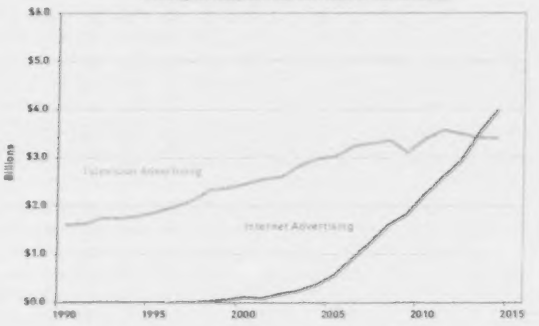
CBC/Radio-Canada has two principal sources of revenue: parliamentary appropriations and self-generated revenues. Up until the end of this fiscal year, funding from government appropriations had decreased in real-dollar terms (adjusted for inflation) over the last 25 years. However, in March, the new federal government announced that the public broadcaster would receive an important reinvestment: an additional $75 million in 2016-2017 and $150 million per year on an ongoing basis. This funding will be reflected in our financial statements starting in the 2016-2017 fiscal year.

MEDIA CONSUMPTION HABITS ARE CHANGING

The Internet, and the technology advances that are evolving with it, brings a profound change in media habits. Canadians spend an average of 21 hours a week on the Internet, with over 70% of that time spent with audio or video content, rather than with text and still images.[3] Content is increasingly being consumed via mobile devices, with 75% of Canadians owning a smartphone and 54% owning a tablet.[3] By comScore's estimates, online services receive more than 1.1 billion visits per month that originate from a mobile device in Canada.[4] On top of this, the Internet has provided new ways for Canadians to interact with one another. The majority of Canadians (70%) are now social networking: six in ten are doing it daily and 57% are doing it via a mobile device.[3]

The consumer habits mentioned above have created a profound shift in the advertising market that has negatively affected the outlook for traditional media companies like CBC/Radio-Canada. Internet has replaced television as the largest advertising medium in Canada.[5] This has a significant impact on the Corporation since we do not compete in close to 60% of Internet advertising categories (i.e. search, classified), limiting revenue growth that might otherwise be expected.[6]

TV AND INTERNET ADVERTISING REVENUES



This fiscal year, the Canadian Radio-television and Telecommunications Commission's (CRTC's) decisions resulting from the *Let's Talk TV* hearings, including the introduction of small basic, pick-and-pay options and genre protection elimination, came into effect. Since March 1, 2016, all distributors offer a "skinny" basic package at $25 per month, with additional options of pick-and-pay channels. While increasing choice for consumers, as of mid-April there has only been limited take-up of this option (approximately 100,000 Canadians, according to the CRTC).

It is expected that the subscription market will become more competitive, compounded by the fact that subscribers are increasingly moving towards Over the Top (OTT) online subscription services such as Netflix, Shomi and CraveTV. CBC/Radio-Canada's subscriber base is expected to be impacted as they become more competitive.

OUR EVOLVING REGULATORY ENVIRONMENT

Besides these important market challenges, our regulatory environment is also about to undergo significant change.

On September 14, 2015, the CRTC launched a review of the policy framework for local and community television programming. This review builds on the determinations made during the *Let's Talk TV* proceeding. The Commission is reviewing issues related to policy, regulation and funding of local programming. No new funding will be provided, but existing funding may be reallocated among broadcasting initiatives to help strengthen local programming. Given the importance of this proceeding for us, we filed written comments and appeared at the public hearing in January 2016.

During the fall of 2015, the Canada Media Fund (CMF) conducted cross-country public consultations about its future. CBC/Radio-Canada's recommendation was that CMF should continue its excellent work by continuing to focus on its core mandate – the financing of Canadian content. We strongly emphasized that CMF should not dilute its strong focus on content financing by investing in other unrelated areas such as technology or production infrastructure. In March 2016, CMF released its 2016-2017 program budget and guidelines, which continued CMF's Canadian content financing focus. At that time, CMF also indicated that they would continue to respond to the industry's changing needs moving forward. As always, given the importance of CMF financing to the Canadian programming that CBC/Radio-Canada brings to Canadians, we will closely monitor any contemplated changes to CMF's focus.

---

[3] Source: Media Technology Monitor, Spring 2016.
[4] Source: comScore, multiplatform measurement, monthly average visits (April 2015 – March 2016).
[5] Source: Statistics Canada, Interactive Advertising Bureau and Zenith Optimedia.
[6] Source: Interactive Advertising Bureau (June 2015).

OUR STRATEGIC PLAN

At CBC/Radio-Canada, we have been transforming the way we engage with Canadians. In June 2014, we launched our strategic plan, *Strategy 2020*, a plan to make the public broadcaster more local, more digital and financially sustainable. We have come a long way since then, and Canadians are seeing the difference. Many are engaging with us, and with each other, in ways they could not have imagined a few years ago. Our connection with the people we serve can be more personal, more relevant, more vibrant. Our commitment to Canadians is that by 2020, CBC/Radio-Canada will be Canada's public space where these conversations live.

OUR PRIORITIES
MORE LOCAL:
• More engagement
• More information
• More often
• On more screens
MORE DIGITAL:
• More in-depth, more focused, more relevant
• More platforms
• Allowing Canadians to engage more with us and with each other
• Encouraging Canadian conversations
MORE AMBITIOUS CANADIAN PROGRAMMING:
• Investing in stories
• Delivering high-quality content

When we began *Strategy 2020*, more than half of Canadians told us that CBC/Radio-Canada was very important to them personally. By 2020, we want three out of every four Canadians to feel that way. We also want to increase our digital reach to 18 million Canadians – one out of two – by 2020. We are well on the way, with three million new digital users in the past year across CBC/Radio-Canada platforms, and an average of almost 15 million digital users per month in 2015-2016.[7]

As we move ahead with the strategy, our goal is to make the public broadcaster more digital, more local and more ambitious in its Canadian programming, and in doing so increase our value to Canadians.

To guide our way, we have set out the following mission and vision statements, rooted in the *Broadcasting Act* that enshrines our mandate:

MISSION

CBC/Radio-Canada expresses Canadian culture and enriches the life of all Canadians, through a wide range of content that informs, enlightens and entertains.

VISION

In 2020, CBC/Radio-Canada will be the public space at the heart of our conversations and experiences as Canadians.

Our mission and vision will be achieved through a focus on distinctive content and services that mirror Canadians' changing media consumption. We will do that by reducing infrastructure, transforming our people and culture, and increasing our financial stability.

As previously noted in this report, almost two years after we first announced *Strategy 2020*, the Government of Canada announced an important reinvestment in the public broadcaster as part of its Budget 2016.

The additional $75 million in funding for 2016-2017, and $150 million per year on an ongoing basis is a vote of confidence by Government and by Canadians in our programs, our people, and our vision for the future. It is also recognition that CBC/Radio-Canada faces some significant financial challenges. The funding will provide an element of flexibility as we assess the progress of our digital strategy and make necessary investments in the future.

In April, we announced details of how that funding would be used, specifically addressing how the $75 million earmarked for 2016-2017 will be applied in support of *Strategy 2020*. This includes one third of the funding to maintain our momentum for key, strategic programming and initiatives already planned this year; approximately half of the funding for the creation of new content across all of our platforms as we continue our transformation toward digital; and the remainder to support existing services. This includes areas that are central to our mandate, but in which cuts were deeply felt, including reviving plans to open a radio and digital station in London, Ontario; reducing radio repeats; and improving our international coverage with a new, pocket foreign bureau in Turkey.

[7] Source: comScore, multiplatform measurement, monthly average unique visitors.

MEASURING OUR PERFORMANCE

A central feature of *Strategy 2020* is the establishment of metrics to track and assess our performance. Building on existing measurement tools, CBC/Radio-Canada has developed a streamlined performance measurement framework to assess our new strategic plan. The new performance measurement framework covers three areas: *Mandate and Vision* (perception survey indicators), *Strategy 2020* (strategic indicators) and *Media Lines* (operational indicators).

Our Mandate and Vision

As Canada's national public broadcaster, the establishment of metrics to track and assess the perception of our performance is essential to demonstrate our accountability to Canadians. The *Mandate and Vision Perception Survey* allows us to monitor how well Canadians believe our services fulfill the Corporation's mandate under the *1991 Broadcasting Act*, as well as to measure the performance of our programming with respect to quality, distinctiveness and our ability to reflect and draw Canadians together. The report also includes vision indicators, which present the Corporation's role in fulfilling the vision of *Strategy 2020*. The data is collected via high-quality surveys conducted among representative samples of Anglophone and Francophone Canadians.[8]

Strategy 2020

The *Strategy 2020* performance report is used to ensure that we are meeting the corporate-wide strategic objectives of our current strategic plan. We established long-term 2020 targets and track our progress towards them with short-term annual targets starting with 2015-2016. A set of 10 key indicators were developed to measure the four elements of the new strategy: audience, infrastructure, people and financial sustainability.

For audience success, we selected five indicators:

- By 2020, we want three out of four Canadians to consider one or more of our services to be very personally important to them (indicator 1);
- With respect to the diversity and objectivity of our information programming (indicator 2), we set a goal to maintain Canadians' high perceptions even in the face of a fragmenting public opinion and the transformation of our news offering;
- In order to change Canadians' perceptions so significantly, we will need to launch new digital services and grow our digital reach and interactions with Canadians (indicators 3 and 4); and
- We will also need to maintain the level of time Canadians spend with our services, even as competition for Canadians' attention continues to increase (indicator 5).

To support our audience goals, we will need to transform our infrastructure, including reducing our real estate footprint by 50% (indicator 6). We will need our employees to be more engaged (indicator 7) and to better reflect the diverse society we serve (indicator 8). Lastly, we will need to meet our cost reduction (indicator 9) and investment fund targets (indicator 10) to be financially sustainable.

Media Lines

We use *Media Lines* reporting to measure performance against our operational targets, which mostly focus on audience reach and share through our various platforms, the size of our subscriber base for specialty television channels, and self-generated revenue across all our services.

PERFORMANCE HIGHLIGHTS

Measuring Our Mandate and Vision

The latest survey results and highlights follow. These results are based on Canadians who gave CBC/Radio-Canada top marks (i.e. an 8, 9 or, 10 on a 10-point scale). For those looking for more detailed results, we are moving reporting into the digital age. We have published the data online in an interactive dashboard for all Canadians to access here.

Here are some highlights of the survey:

- Most of the 2015-2016 metrics remained stable compared to the previous year's results;
- The top three perception scores show that CBC/Radio-Canada's programming *is of high quality* (68%), *is informative* (67%) and *reflects the regions of Canada* (66%);
- Canadians typically perceive us as a leader in *making our programming available on new platforms*, however the 2015-2016 result decreased seven points to 60% compared to last year; and
- The *supporting the creation of original Canadian content* and *entertaining* scores also dropped slightly, by four and three percentage points respectively since last year.

[8] TNS Canada has been conducting the Mission Metrics tracking survey since 2010. Two methodological changes were made starting in fall 2015: 1. Sample sizes were reduced to lower the cost of the survey from 1,400 per wave per language to 1,000; and 2. Mobile-only homes were added to address changes in the Canadian population. Despite these methodological changes, results are comparable with previous years. Differences between the national 2015-2016 results and 2014-2015 results are about 2.0%.

Results – Percentages Calculated Amongst the Canadians Who Gave CBC/Radio-Canada Top Marks (8, 9, or 10 on a 10-point scale)[9]

			2014-2015	2015-2016
Broadcast Act Performance Indicators	CBC/Radio-Canada's Programming...	is informative	68%	67%
		is enlightening	57%	57%
		is entertaining	54%	51%
		is available on new platforms	67%	60%
		is of high quality	66%	68%
		is different from others	45%	46%
		reflects regions of Canada	66%	66%
		reflects my region	44%	43%
		reflects the diversity of Canada	53%	55%
		reflects my culture	47%	46%
	CBC/Radio-Canada's Information Programming...	reflects a diversity of opinions	55%	54%
		covers major issues in a fair and balanced way	58%	58%
Vision Performance Indicators	CBC/Radio-Canada...	is personally important for me	59%	57%
		is listening to its audiences	46%	45%
		supports the creation of original Canadian content	65%	61%
		is actively interacting with its audiences	48%	48%
		is the leader in Canadian content	61%	60%
		provides a place for Canadians to share their ideas and views with others	55%	55%

[9] Source: Mission Metrics Survey, TNS Canada (1,000 Anglophones and 1,000 Francophones per survey). Surveys are conducted in November and March each year.

Measuring Our *Strategy 2020*

The *Strategy 2020* indicators are presented throughout this Annual Report, in the *Content and Services*, *Infrastructure*, *People and Culture*, and *Financial Sustainability* sections.

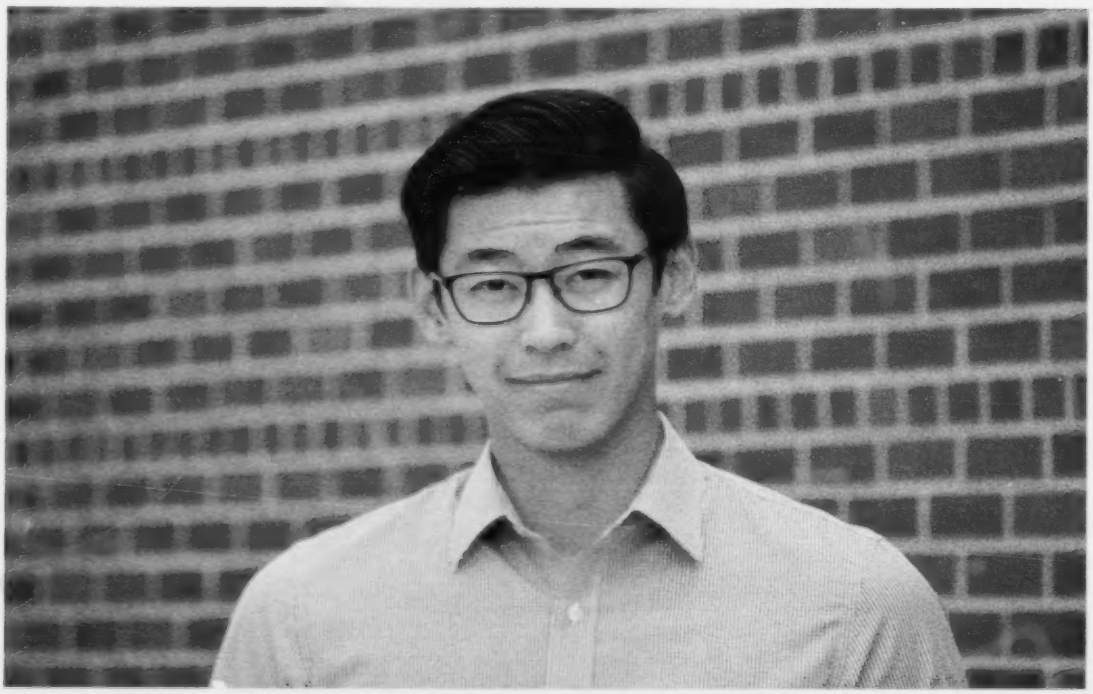
We met or exceeded our 2015-2016 targets on all but one indicator. Our digital reach and interactions indicators performed well above their targets, and our remaining audience, infrastructure and financial indicators met their targets. Our employee diversity indicator improved significantly compared to 2014-2015, yet did not meet its target, due to the lower attraction and hiring of external candidates than labour force availability.

INDICATOR	RESULT	PAGE
1. Personal importance to Canadians (% very important)	▶	22
2. Information programming has diverse opinions and is objective (% who strongly agree)	▶	22
3. Digital reach of CBC/Radio-Canada	▲	22
4. Monthly digital interactions with CBC/Radio-Canada	▲	22
5. Overall time spent with CBC/Radio-Canada	▶	22
6. Reduce real estate footprint	▶	24
7. Employee engagement (% proud to be associated)	N/A	26
8. Employee diversity (% of new employees)	▼	26
9. Achieve cost reduction target	▶	36
10. Achieve investment fund target	▶	36

▲ Target exceeded ▶ Target met ▼ Target not met

Measuring Our Media Lines

Please refer to the *Content and Services* section of this report for the *Media Lines* reporting.



Albert Leung, host and creator of *Campus*, CBC's first original podcast series

CONTENT AND SERVICES

OUR SERVICES

As part of transforming our offering to Canadians in the digital age, our approach is to fully integrate digital across the range of CBC/Radio-Canada brands. These include:

ICI RADIO-CANADA TÉLÉ
cbc.ca
ICI artv
CBC NEWS NETWORK
ICI TOU.TV
radio one
CBC
ICI RADIO-CANADA première
RADIO 2
ICI RADIO-CANADA .ca
CBC news.ca
ICI RDI
CBC books.ca
ICI musique
documentary channel
TV5MONDE
CBC MUSIC
première PLUS
ICI explora
CBC north
radio3
CANADA'S OLYMPIC NETWORK
DIFFUSEUR OFFICIEL CANADIEN
CBC SPORTS
RCI RADIO CANADA INTERNATIONAL
kids CBC
curio.ca

In addition, we currently partner with SiriusXM Satellite Radio to offer six channels of CBC/Radio-Canada content.

YEAR IN REVIEW

FRENCH SERVICES HIGHLIGHTS

In 2015-2016, Radio-Canada pursued the transformation that began two years ago in order to remain a leader and a creative powerhouse in the Canadian French-language media industry. The public broadcaster continued to deliver compelling original content that reflects the lives and experiences of all French-speaking Canadians, with the overriding commitment to meet their changing media habits.

ACCELERATING OUR MULTIPLATFORM/MULTISCREEN STRATEGY

Part of this fundamental transformation involved accelerating the implementation of Radio-Canada's multiplatform/multiscreen strategy, with original Canadian content continuing to be a priority. We launched a dozen new TV drama series and arts/variety shows this year, including *Esprit critique*, *Le Clan* and *Le nouveau show*. Furthermore, this visual content is now made more widely available on our many platforms (ICI Radio-Canada Télé, ICI ARTV, ICI EXPLORA, ICI Tou.tv), at the right time for our various target audiences. This year's experiment with non-standard broadcasting/distribution sequences produced positive results. For example, the exclusive pre-release of the full second season of *Série noire* on ICI Tou.tv EXTRA in November had a significant impact on subscriptions and generated nearly 300,000 views.[10]

Radio-Canada is experimenting with non-standard broadcasting and distribution sequences for its properties – a strategy that produced positive results this year.

Radio-Canada's multiplatform/multiscreen strategy also calls for a major digital shift, and we considerably expanded our original digital content offering in 2015-2016. Notable additions include five new original Quebec productions released in March 2016 on ICI Tou.tv (*À ne pas faire à la maison*, *Barman*, *La vie n'est pas un magazine*, *L'écrivain public* and *Switch & Bitch*); the new youth section introduced in June 2015; and the announcement of Véronique Cloutier's channel, Véro.tv, for EXTRA subscribers starting in 2017. There was big news in Radio as ICI Radio-Canada Première launched Première PLUS in February 2016, the first 100%-free French-language on-demand radio streaming service, whose offering includes a number of original series (e.g. *Brassard d'un soir*, *La route des 20 – Sur les traces d'une génération*, *Parce qu'on est en 2016*). ICI Musique, for its part, organized music events that leveraged digital platforms and audience interaction, such as *Le concert dont vous êtes le héros* and *Héros du piano*.

PURSUING OUR NEWS AND CURRENT AFFAIRS TRANSFORMATION

At a time when Canadians have access to an increasing number of news choices, Radio-Canada intends to remain the source of record.

To support its continuous news coverage, News and Current Affairs stepped up its production of digital formats targeting mobile platforms, and also released an updated Radio-Canada news app in late February 2016. There has been a strong response to the digital news offering. During the 2015 federal election, ICI Radio-Canada.ca received nearly 1.5 million visits – over twice the number recorded on election day 2011. Moreover, following the Paris attacks on November 13, 2015, a video uploaded by correspondent Jean-François Bélanger was viewed over 4.5 million times on the *Téléjournal* Facebook page.[10]

In the face of increasing choice in news, Radio-Canada intends to remain a reference, not only in terms of speed and accuracy, but also as the space for probing analysis that contributes to public debate and our country's democratic life. As an example, Radio-Canada continued in 2015–2016 to develop multiplatform signature news events around issues of global importance, as witnessed in the special reports on the Paris Climate Change Conference and sugar as an emerging public health issue. The reach and impact of Radio-Canada's News and Current Affairs coverage were also revealed once again through *Enquête*'s hard-hitting investigative report into alleged abuses by Sûreté du Québec officers of Aboriginal women and the documentary *Omar Khadr: Out of the Shadows*, co-produced with CBC. And, in March 2016, Radio Canada International (RCI) released a mobile app for the *Eye on the Arctic* website to promote circumpolar discussions in Canada and abroad.

GROWING DEEPER ROOTS IN REGIONS

Radio-Canada's teams accelerated the multiplatform strategy and digital shift in the regions in 2015-2016. For instance, we rolled out new regional websites across the country with geolocated French-language content adapted to all screen sizes and mobile devices. News coverage on the web and through social networks was also expanded, and audiences responded very favourably. The ICI Radio-Canada.ca Regions section saw its visits (websites and mobile + apps) jump 37% between February 2015 and February 2016. Facebook accounted for 36% of visits in February 2016, up 13 percentage points over February 2015.[10] Also noteworthy is the regional multiplatform project *Bienvenue chez les #NUMÉRICAINS*, which relates how digital technology is changing the lives of French-speaking Canadians. It features a website, a series of 10 one-hour audio episodes, 31 audio and video testimonials, as well as over 50 personal stories submitted by social media users.

The teams' motto, "More Local, More Often, on More Screens," drove local digital initiatives this year.

BRINGING FRENCH-SPEAKING CANADIANS TOGETHER

Radio-Canada remained a relevant, unifying force for all French-speaking Canadians.

In line with its mandate as Canada's national public broadcaster, Radio-Canada remained a relevant, unifying force for all French-speaking Canadians. It continued once again this year to achieve success with its new prime-time shows on ICI Radio-Canada Télé, drawing average audiences of 1.6 million for *Les pays d'en haut*, close to 1 million for *Ruptures* and 0.9 million for *Les dieux de la danse*.[11] ICI Radio-Canada Télé's *Bye bye 2015* broke all previous audience records with an average of almost four million viewers on New Year's Eve – an 88% audience share[11] – demonstrating once again how television has the power to bring Canadians together during special occasions. Also, as part of the 2016 Semaine des correspondants from January 4 to 8, foreign correspondents took Radio-Canada's various platforms by storm to look back at the year's top international stories, give their predictions for 2016 and answer questions from the audience.

---

[10] Source: Adobe SiteCatalyst.

[11] Source: Numeris, Portable People Meter (PPM), Francophones in Quebec aged 2 years and older.

FRENCH SERVICES 2015-2016 RESULTS

The majority of Radio-Canada's key performance indicators for radio, TV and digital met or exceeded the targets set for 2015-2016. As for financial indicators, self-generated revenue and ICI RDI's subscriber levels fell short of expectations.

		RESULTS 2014-2015	TARGETS 2015-2016	RESULTS 2015-2016	TARGETS 2016-2017
Radio Networks					
ICI Radio-Canada Première and ICI Musique	*All-day audience share*[12]	21.4%	21.2%	21.8%	21.8%
Television					
ICI Radio-Canada Télé	*Prime-time share*[13]	19.8%	19.7%	19.9%	19.5%
ICI RDI, ICI ARTV, ICI EXPLORA	*All-day audience share*[13]	4.8%	4.7%	4.7%	4.7%
Regional					
ICI Radio-Canada Première	*Morning show audience share*[12]	19.2%	18.1%	19.9%	18.9%
Téléjournal 18h	*Average minute audience*[13]	0.325 M	0.310 M	0.319 M	0.319 M
Regional digital content	*Monthly average unique visitors*[14]	0.722 M	0.758 M	0.712 M	N/A
Digital					
Radio-Canada's digital offering	*Monthly average unique visitors*[14]	1.9 M	2.8 M	3.0 M	3.4 M
Specialty Television Channels					
ICI RDI	*Subscribers*	10.8 M[15]	11.1 M[15]	10.7 M[15]	N/A[16]
ICI ARTV	*Subscribers*	1.8 M	1.8 M	1.8 M	N/A[16]
ICI EXPLORA	*Subscribers*	0.6 M	0.8 M	0.8 M	N/A[16]
Revenue[17]					
Conventional, specialty, online		$234 M	$227 M	$216 M	$201 M

N/A = not applicable

Radio – Includes the combined share of our two main radio networks - ICI Radio-Canada Première and ICI Musique - and the share for ICI Radio-Canada Première's regional morning shows. The 21.8% fall 2015 combined share broke the prior year record of 21.7%

ICI Radio-Canada Télé – Highly competitive market, where our continued support of the conventional prime-time television schedule appears to be paying off. New successful shows (*Les pays d'en haut, Ruptures, Les dieux de la danse*), in addition to a strong multigenre line-up and high-profile returning programs (*Unité 9, Mémoires vives, Tout le monde en parle*). These audience successes are all the more critical since as we leverage our multiplatform/multiscreen strategy, we face the challenge of not sacrificing successes traditionally measured through TV audience share.

ICI RDI, ICI ARTV, ICI EXPLORA – ICI RDI recorded high ratings, boosted by its continuous coverage of major news events (e.g., federal election, Paris attacks). ICI EXPLORA's audience share increased during free preview periods throughout the year.

Téléjournal 18h – After a slow start during fall 2015, the average minute audience (AMA) rose during the winter, a period that has seen higher viewer ratings historically.

Digital – Canadians turned in large numbers to our regional, national and international digital content to make sense of key events and major breaking news stories (e.g. federal election, Paris and Brussels attacks, deaths of René Angélil and Jean Lapierre).

Subscribers to Specialty Television Channels – Performance is subject to favourable factors (programming, promotional efforts) and structural challenges (consumption trends, regulatory environment).

Revenue – Impact of the persistent softening of TV advertising market (3% decrease year-over-year in the Francophone market)[18] especially for conventional television.

---

[12] Source: Numeris, fall 2015 survey (diary), Francophones aged 12 years and older. Morning show: Monday-Friday, 6:00-9:00 AM.

[13] Source: Numeris, Portable People Meter (PPM), Francophones in Quebec, aged 2 years and older. ICI Radio-Canada Télé: regular season; ICI RDI, ICI ARTV, ICI EXPLORA: April to March; Téléjournal 18h: regular season, Monday-Friday, 6:00-6:30 PM.

[14] Source: comScore Media Metrix, unique visitors aged 2 years and older, April to March. Prior to 2015-2016, the measure was desktop only. Starting in 2015-2016, the measure for Radio-Canada's digital offering is multiplatform, but desktop only for regional digital content. The comScore measurement basis for 2016-2017 regional digital content is being finalized and the target will be published once this is confirmed.

[15] In November 2014, one of our partners informed us of an error in the subscriber count for ICI RDI. The error had affected 2014-2015 annual results and was identified after we had set the annual target for 2015-2016. ICI RDI's annual subscriber target for 2016-2017 is established in light of the now-known actual values.

[16] Target not finalized because of on-going negotiations with Broadcast Distribution Undertaking partners.

[17] Includes advertising revenue, subscription revenue and other revenue (e.g. content distribution). Revenue for ARTV is reported at 100%, even in 2014-2015 although Radio-Canada owned only a 85% share prior to March 31, 2015. Since that date, Radio-Canada has been the sole owner of ARTV.

[18] Source: ThinkTV.

ENGLISH SERVICES HIGHLIGHTS

English Services' programming in 2015-2016 supported our overall goal of intensifying our relationship with Canadians through the delivery of relevant, high-quality, impactful and distinctly Canadian programming that informs, enlightens and entertains.

This goal has been pursued both at the national level (in creating nation-building experiences) and at the local level (creating community connections) by being creatively ambitious and building on diversity and inclusion.

Unique and Distinctive Canadian Programming

On CBC Television, our new scripted programs *Schitt's Creek*, *This Life* and *The Romeo Section* received wide critical acclaim for their high quality and distinctive character. We also strengthened our commitment to the creative community with three new Arts programs (*Crash Gallery*, *Interrupt This Program*, and *Exhibitionists*), which exemplify the risk-taking and creative experimentation we strive for. Meanwhile, strong performers like *Rick Mercer Report*, *This Hour Has 22 Minutes*, *Murdoch Mysteries* and *Heartland* continued to entertain our audiences.

Our distinctive and high-quality programming received wide critical acclaim.

This year we began to shift our factual entertainment programming. We moved away from contest-style programs to those that reflect authentic Canadian experiences, such as *Hello Goodbye* and *Keeping Canada Alive*. We introduced *Firsthand*, a modern point-of-view (POV) documentary strand that levers our vibrant independent Canadian documentary community. CBC also celebrated the *Nature of Things* host David Suzuki's 80th birthday with a special episode.

Radio One enhanced its diversity through new programs, including *Unreserved*, *Podcast Playlist*, the *Doc Project* and *Because News*. The flagship arts and culture program *"Q"* was also re-launched during the year. Many or our shows hit the road for live remote broadcasts, including *Cross Country Checkup* in Iqaluit, *Writers & Company* at Toronto's Harbourfront Centre, *The Current* live from Paris, *The Current* in Newfoundland, *The 180* in three Alberta towns, *Unreserved* from Six Nations and the *Sunday Edition* in Dublin, Ireland. Music highlights included *The Quietest Concert Ever* in partnership with Parks Canada, the Polaris Music Prize partnership, the Searchlight contest and *Canada's Greatest Music Class*.

2015-2016 was a big year for News with key events such as the federal election and the attacks in Paris and Brussels. In addition to providing Canadians with coverage and understanding of these events, CBC News also provided innovative, original investigative journalism on special issues/presentations such as *Missing and Murdered Indigenous Women*, *Death and Denial in Cape Dorset*, *Face to Face with the Prime Minister*, and *Minority Report*.

Finally, among our Signature Events, CBC provided multiplatform coverage of the Toronto 2015 PanAm and ParapanAm Games, celebrating the competition and performance of the athletes on Canadian soil.

Digital and Multiplatform

The federal election resulted in the single biggest day ever for digital news with over 27 million page views from 6.7 million unique visitors.[19]

Increasingly, Canadians want to consume their content on a diverse number of platforms beyond traditional broadcast media. A critical 2015-2016 priority for CBC was to continue to offer our audiences a complete "programming ecosystem," in which our content can be enhanced by distribution on multiple platforms.

In entertainment, we launched the CBC arts feed, which is a dedicated digital arts site that aggregates arts content curated from across the CBC. We created an original digital documentary strand for emerging filmmakers, with specific emphasis on Indigenous Canadians. Other original digital content in the year included the return of *Next Gen Den* (an extension of *Dragons' Den*) and Punchline digital series such as *Riftworld: Chronicles*, *The Nations* and *Newborn Moms*.

In audio, we introduced new original podcasts such as *Campus*, *Back Story*, *Podcast Playlist* and *Someone Knows Something*.

Our news site introduced a responsive website that adapts to different devices, allowing for a better overall user experience. All broadcast news content was also available in digital form, including coverage of the federal election.

Local News

Further supporting our digital-first strategy, in October we launched enhanced digital and mobile local news services with content geared to each part of the day, including targeted push alerts. Canadians are now receiving more local information more often, at more times during the day. Communities are informed with more multiscreen digital content on the devices and social networks that Canadians use to stay connected.

Canadians are now receiving more local information more often, at more times during the day.

At the same time, we launched "Visual Radio," in which morning radio shows are broadcast live on television on weekday mornings. This provides more local news, information and perspectives from our local radio programs to our television viewers. We re-formatted our local supper time television newscasts to suit the individual circumstances of their communities. Finally, we added several local news updates on CBC Television at one-minute-before-the-hour, in the late afternoon and immediately before *The National*.

[19] Source: comScore and Adobe SiteCatalyst.

ENGLISH SERVICES 2015-2016 RESULTS

By year-end, English Services met or exceeded most of its performance targets, while experiencing challenges on two specific television indicators.

		RESULTS 2014-2015	TARGETS 2015-2016	RESULTS 2015-2016	TARGETS 2016-2017
Radio Networks					
CBC Radio One and CBC Radio 2	*All-day audience share*[20]	18.1%	17.5%	18.5%	18.7%
Television					
CBC Television	*Prime-time share*[21]	6.0%	6.2%	5.8%	6.0%
CBC News Network	*All-day audience share*[21]	1.5%	1.4%	1.7%	1.5%
Regional					
CBC Radio One	*Morning show audience share*[20]	19.5%	19.6%	20.4%	20.4%
TV supper news	*Average minute audience*[21]	0.375 M	0.360 M	0.345 M	0.345 M
Regional digital content	*Monthly average unique visitors*[22]	4.0 M	4.2 M	4.3 M	N/A
Digital					
CBC's digital offering	*Monthly average unique visitors*[22]	10.6 M	11.2 M	12.4 M	14.1 M
Specialty Television Channels					
CBC News Network	*Subscribers*	11.2 M	11.2 M	11.0 M	N/A[23]
documentary	*Subscribers*	2.7 M	2.7 M	2.5 M	N/A[23]
Revenue[24]					
Conventional, specialty, online		$321 M	$246 M	$260 M	$211 M

N/A = not applicable

Radio – A fall record high for the combined share of our broadcast radio networks was achieved. CBC Radio One's usage also increased at a time where the overall Anglophone market consumption declined. CBC Radio 2 achieved its second highest fall share since the programming changes introduced late in the last decade.

CBC Television – Results reflect the weaker performance of some of our shows, particularly new shows, and was more pronounced in the fall season. Moreover, many viewers were attracted away from conventional TV in the early part of the regular season to the playoff run of Major League Baseball's Toronto Blue Jays.

CBC News Network (CBCNN) – The share increased with the favourable audience impact of unique, non-recurring events such as the extended federal election campaign (late summer to October 2015) and the Paris attacks (November 2015).

Regional: CBC Radio One morning shows – A higher audience share was achieved over the prior year while increasing overall usage, despite the overall decline in English-language radio consumption. TV supper news – Lower audiences were experienced in the fall when the new supper news show format was introduced, with audiences growing through the winter. Regional digital content – Favourable results were driven by coverage of events such as provincial elections (e.g. Alberta, Newfoundland & Labrador), a high profile murder trial in Hamilton and the earthquake in British Columbia.

Digital – Favourable results were driven by recent usability and presentation enhancements to the platform, as well as events of major international, national and local interest.

Subscribers to Specialty Television Channels – A decline in subscriber levels was experienced within the year. Subscriptions will be further challenged by the continuing cord-cutting trend and the effects of recent regulatory changes in the industry associated with the *Let's Talk TV* initiative.

Revenue – Results exceeded target and compared favourably to the Anglophone market's 4% decrease during the same period, partially driven by one-time events such as CBC's coverage of and host broadcaster activities for the Toronto 2015 Pan Am and Parapan Am Games.

---

[20] Source: Numeris, fall survey (diary), persons aged 12 years and older. Morning show: Monday-Friday, 6:00-9:00 AM.

[21] Source: Numeris, Portable People Meter (PPM), persons aged 2 years and older. CBC Television: regular season; CBC News Network: April to March; TV supper news: regular season, Monday-Friday, 6:00-6:30 PM.

[22] Source: comScore Media Metrix, unique visitors aged 2 years and older, April to March. Prior to 2015-2016, the measure was desktop only. Starting in 2015-2016, the measure for CBC's digital offering is multiplatform, but desktop only for regional digital content. The comScore measurement basis for 2016-2017 regional digital content is being finalized and the target will be published once this is confirmed.

[23] Target not finalized because of on-going negotiations with Broadcast Distribution Undertaking partners.

[24] Includes advertising revenue, subscription revenue and other revenue (e.g. content distribution). Revenue for *documentary* is reported at 100%, although CBC/Radio-Canada owns 82% of this channel. Excludes revenue from the arrangement with Rogers Communications Inc. for the continued airing of *Hockey Night in Canada* for Saturday night and playoff hockey. Toronto 2015 Pan Am Games revenue included reflects joint English and French Services revenue.

STRATEGY 2020 PERFORMANCE METRICS

Indicator	Fiscal Year 2014-2015	Fiscal Year 2015-2016	Target 2015-2016	Target 2016-2017	Expected Shape of Growth	2020 Target
1. Personal importance to Canadians (% very important)[25]	59%	**57%**	58%	58%		75%
2. Information programming has diverse opinions and is objective (% who strongly agree)[25]	57%	**56%**	57%	57%		57%
3. Digital reach of CBC/Radio-Canada[26]	12.4 million	**14.6 million**	12.7 million	16.5 million		18 million
4. Monthly digital interactions with CBC/Radio-Canada[27]	79.7 million	**103.8 million**	77 million	117.2 million		95 million
5. Overall time spent with CBC/Radio-Canada[28]	177 million hrs/wk	**171 million hrs/wk**	173 million hrs/wk	177 million hrs/wk		173 million hrs/wk

CANADIAN CONTENT

Regulatory requirements for Canadian content on television are specified by the Canadian Radio-television and Telecommunications Commission (CRTC), which sets conditions of license for ICI Radio-Canada Télé and CBC Television. For the whole broadcast day, a minimum of 75% Canadian content is required. For prime time, a minimum of 80% Canadian content is required. Both measures are averages over the entire broadcast year from September 1 to August 31. As shown in the table below, in the previous two broadcast years, ICI Radio-Canada Télé and CBC Television exceeded the CRTC's Canadian content conditions of license, both over the whole day and in prime time.

Canadian content		Yearly conditions of licence	Results September 1, 2014 to August 31, 2015	Results September 1, 2013 to August 31, 2014
ICI Radio-Canada Télé				
Broadcast day	(Mon-Sun, 6:00 a.m.-12:00 a.m.)	75%	82%	89%
Prime time	(Mon-Sun, 7:00 p.m.-11:00 p.m.)	80%	91%	90%
CBC Television				
Broadcast day	(Mon-Sun, 6:00 a.m.-12:00 a.m.)	75%	92%	94%
Prime time	(Mon-Sun, 7:00 p.m.-11:00 p.m.)	80%	87%	91%

[25] Source: Mission Metrics Survey, TNS Canada. This is the per cent of Canadians who give us top marks (8, 9 or, 10 on a 10-point scale). The data are obtained from a high-quality telephone survey conducted among a representative sample of the Canadian population.
[26] Source: comScore, multiplatform measurement, monthly average unique visitors.
[27] Source: comScore, multiplatform measurement, monthly average visits.
[28] Source: Numeris, Time spent with our TV and Radio services; Adobe SiteCatalyst and comScore, Time spent with our Internet services.

OUTLOOK

Rapid changes in technology and consumer habits are challenging the entire Canadian broadcasting industry, and CBC/Radio-Canada has felt the impact with pressures mounting in both the English-language and French-language markets. These pressures are not showing any sign of *receding and they are deeply changing the media industry: the dominance* of national and foreign players; the rise of content and production costs; the multiplication of sophisticated distribution channels and strategies; the changes in the regulatory framework (e.g. CRTC's ***Let's Talk TV***) and in the media consumption habits; as well as the persistent decline in the conventional television advertising market.

As we are ramping up into ***Strategy 2020***, CBC/Radio-Canada is making forward-looking choices. The Government of Canada's additional funding will provide the public broadcaster with the means to better face current and future challenges and pursue its own transformation to a new media environment.

This reinvestment in CBC/Radio-Canada is all about creating more content that Canadians want and ensuring it is easy to find, on platforms that are reliable, robust and intuitive.

In late April, the Minister of Canadian Heritage launched public consultations on "strengthening Canadian content creation, discovery and export in a digital world." The first phase, completed in May, invited Canadians to share their views in an online pre-consultation questionnaire. The next phase will include the appointment of an Expert Advisory Group and the publication of a framework to guide the consultations through the summer and fall. This is an important initiative. CBC/Radio-Canada is looking forward to hearing what Canadians think about culture, and sharing its views about what role public broadcasting plays in ensuring Canada's public space in the digital world.

Our priorities in 2016-2017 include:

- Digital and Multiplatform/Multiscreen – We'll create more content for all of our platforms, including innovative stories and content for digital users. CBC will continue to develop its online player to make its programs more accessible. Radio-Canada will create new digital youth programming and more original webseries for ICI Tou.tv, as a way to reach new audiences, experiment with alternative formats and celebrate up-and-coming local talents.
- Signature Events – CBC and Radio-Canada will continue to collaborate to build multiplatform signature events that bring Canadians together, such as the 150th anniversary of Canada and the Rio 2016 Olympic Games.
- Canadian Drama – We'll invest in high-profile Canadian programming. CBC/Radio-Canada will support new entertainment programming, including drama and programming in celebration of Canada's 150th anniversary. In addition, CBC will launch a Canadian feature film initiative.
- News and Regions – To further the reach of its impact journalism across the country, Radio-Canada will accelerate the production of digital formats, targeting mobility in particular, also making more time for public affairs content on ICI RDI. Similarly, CBC will deliver more projects on a multiplatform and multi-program basis, including in the fields of investigative and data journalism. CBC will also continue recent local service enhancements under the digital first strategy and expand to open a digital station in London, Ontario. To continue evolving their already distinctive international coverage, CBC and Radio-Canada will both support initiatives and invest in resources with the objective to shape a nimble yet powerful news organization.
- Radio and Audio – CBC and Radio-Canada will increase the number of original programming hours offered on their radio schedules. We'll also build on the success of Radio-Canada's Première PLUS with a mobile app and more digital original content. ICI Musique and CBC Music will enhance their digital and on-air music services to our audiences, with CBC Music in particular re-investing in live music recordings, focusing on contemporary Canadian artists.
- Engaging with Digital Audiences – In order to support the implementation of our multiplatform/multiscreen strategy, we'll invest in employee skills and reliable technology to garner greater understanding of our audience's needs through deeper analytics and also to create the best user experience possible.
- Archives Digitization – CBC/Radio-Canada has an incredibly rich archive of the stories and experiences of Canadians, mostly on film and tape. We'll digitize more of it so that Canadians can access it. One priority is our Indigenous language archive.
- Maintaining our Momentum – We will ensure the sustainability of the current operations and programming initiatives already planned in 2016-2017 that are key to our strategy.

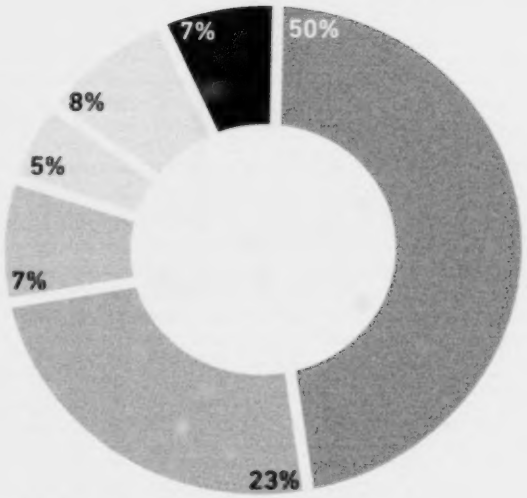
We remain committed to transparency and accountability, and will continue reporting on our performance.

INFRASTRUCTURE

OUR ASSETS

CBC/Radio-Canada has a base capital appropriation from the Government of Canada of $92.3 million per year. For 2015-2016, we increased this amount by transferring funds from our operating appropriation, for a total of $105.7 million to satisfy payments on bonds used to finance the Toronto Broadcast Centre. As required by subsection 54(4) of the ***Broadcasting Act***, we present our capital budget to the Minister of Canadian Heritage in our Corporate Plan and then submit it to the Treasury Board for approval.

We currently use $2.4 billion of assets (with a net book value of $934 million) in our operations. We operate one of the world's largest broadcast transmission and distribution systems, with 529 transmission sites located throughout Canada. We are responsible for a real estate portfolio of 3.9 million square feet, including 18 buildings owned across Canada. We are also highly dependent on technology and technology-based assets in the production and delivery of our services.



YEAR IN REVIEW

Following a competitive process, on May 7, 2015, CBC/Radio-Canada rejected the proposal submitted for the redevelopment project of the Maison de Radio-Canada (MRC) as it did not meet the Corporation's requirements. We then decided to examine new scenarios, including selling our facility and moving into a new building on or off our existing site. To this end, we retained the services of a real estate brokerage firm to help us identify the full range of opportunities in the Montreal market. The first phase of the Request for Proposal process for the sale of CBC/Radio-Canada's Montreal site and facilities ended on March 18, 2016. Over a dozen proposals were received. On May 18, 2016, the Board of Directors shortlisted two proposals for a new facility, both of which would see the public broadcaster's Montreal home remain on a portion of the same site. Regarding the sale of the existing facility, the final phase of the process will continue with four proponents to maintain a high level of competition in the market and guarantee the best possible offer at the end of the process. The final choice of proposal, both for the new MRC and the sale of the existing facility, is expected in fall 2016 and will need to be approved by the Treasury Board.

During the year, we announced we would be leasing 195,000 square feet of the Toronto Broadcast Centre as part of a multi-year deal. Our prospective tenant informed us in March that it had been unable to secure the necessary approvals on its end, making it impossible to move the deal forward. While disappointed, we will continue to search for potential tenants to occupy this unused space.

On June 25, 2015, we completed the sale of our mobile division to Dome Productions. The decision to exit the television mobile production business and sell off our associated assets reflects the Corporation's strategy to reduce infrastructure.

STRATEGY 2020 PERFORMANCE METRICS

Indicator	Fiscal Year 2014-2015	Fiscal Year 2015-2016	Target 2015-2016	Target 2016-2017	Expected Shape of Growth	2020 Target
6. Reduce real estate footprint[29]	4.0 million rsf	**3.9 million rsf**	3.9 million rsf	3.9 million rsf		2.0 million rsf

OUTLOOK

In January 2016, the Board of Directors approved the sale of our existing facility in Calgary and the move of our operations to a new leased location. The move into the new leased facility is expected in the first half of 2017.

We continue to look for opportunities to generate more revenue as we rent out vacant space in some of our buildings and to reduce our total cost of occupancy and real estate risk by selling and exiting some buildings that we own to become tenants in more cost-efficient premises.

[29] Our rentable square feet (RSF) results exclude: foreign offices (e.g., bureaus), transmission sites, parking lots and leases for the sole purpose of storage (i.e. no broadcasting activity).

PEOPLE AND CULTURE

OUR WORKFORCE

As of March 31, 2016, we employed a total of 7,213 full-time equivalent employees (FTEs), of whom 6,419 were permanent, 182 were temporary and 612 were contract. This is a decrease of 227 FTEs when compared to March 31, 2015, resulting mainly from workforce adjustments.

Under the *Employment Equity Act*, we are committed to providing equal employment opportunities to the four designated groups: women, Aboriginal peoples, persons with disabilities and members of visible minority groups.

Of CBC/Radio-Canada's permanent employees as of March 31, 2016:

47.8% are women
1.6% are Aboriginal
1.6% are persons with disabilities
9.3% are visible minorities

YEAR IN REVIEW

ORGANIZATIONAL REDESIGN

Organizational redesign is an important part of the broader transformation occurring within CBC/Radio-Canada. Following the executive level redesign announced in the summer of 2015, we have continued to challenge and change the Corporation's organizational structure to ensure we are positioned to work effectively together to meet our future strategic needs. One of the major outcomes of this process was the amalgamation of our technology and infrastructure groups from across the organization to form Media Technology and Infrastructure Services (MTIS). This component touches every element of work at the public broadcaster as they collaborate with their media partners to deliver great Canadian content. An anticipated result of this decision will be to bring a more effective, more coordinated approach to all areas of the Corporations' media technology and infrastructure. This is just one example of how we are changing the way we operate, reducing our costs and streamlining our decision-making processes.

STRENGTHENING A CULTURE OF RESPECT

CBC/Radio-Canada has devoted considerable energy towards implementing the recommendations that came out of Janice Rubin's report from April 16, 2015, with the goal of building a workplace we can all be proud of. Our action plan this year consisted of five key areas:

- Training – 98% of all managers completed our mandatory online training on bullying, harassment and workplace violence. This was followed by a second mandatory module on bullying and harassment for every CBC/Radio-Canada employee, with target completion as of the end of June 2016.
- Surveys and spot audits – As part of our new partnership with Gallup, we fielded a new employee engagement survey with additional questions relating to ethics and well-being. A 52% response rate ensured CBC/Radio-Canada has meaningful data to act on and to better-drive business performance. A second survey is planned for October 2016.
- Reporting channels and support – We launched a new, external, confidential bullying and harassment employee helpline in 2015, ensuring psychological and emotional support and counselling, as well as information relating to our various policies and processes, is available to all employees. An anonymous ethics reporting hotline and case management system will also be operational by the summer of 2016.
- Policy renewal – We updated our Policy on Learning & Development and Performance to ensure that conduct and behaviour are addressed in the context of performance management and development. In addition, we completed a review and revision of our conduct and ethics policies, and will be integrating the findings into the new policy framework.
- Workplace investigation and data – We established a new, confidential methodology to track and report on complaints and investigations; we also ensured that all People and Culture employees received basic training on investigations.

We will continue to build on these successes and work with the unions to ensure that our culture is one where respect thrives and unacceptable behaviour is dealt with swiftly and appropriately when it occurs.

VALUES & ETHICS COMMISSIONER

A new Values and Ethics Commissioner position was created and announced in May. This person will provide a source of guidance and support to employees, and will act as the first point of contact for all questions and concerns regarding values and ethics from employees, and also from members of the public. It is expected that the position will be filled by or around the fall of 2016.

Digital Skills Training

As of June 2016, more than 1,200 people across the Corporation have been training to develop new digital skills, while over 650 employees participated in business skills training to help them support the transformation. Looking ahead, we will maintain our momentum to train people for this new digital world, train leaders to even better support their teams and continue building a strong foundation of business skills across the Corporation. We will also continue working to ensure employees have modern work environments, with the right tools and technology that help them do their best.

Employee Assistance Program (EAP)

Our employees continue to receive support through the Employee Assistance Program (EAP), which offers a variety of services, including confidential counselling, critical incident workplace support and individual wellness initiatives in our locations across the country. Our year-end EAP utilization rate was 22.7 % (up from 18.8% the previous year), and 1,693 cases, including employees, retirees and family members (up from 1,598 in 2014-2015), demonstrating the continued relevance of the program.

Inclusion and Diversity

CBC/Radio-Canada is continuously evolving to reflect the changing faces and voices of our country and to meet the needs of a diverse audience. We released our 2015-2018 Inclusion and Diversity Plan, which is aligned with ***Strategy 2020*** to help us better reflect Canada's diversity in our workforce and programming, and to enhance opportunities for partnerships with more Canadians.

The Canadian Human Rights Commission conducted an audit on employment equity. It noted there is still work to do to ensure our workforce is more reflective of our audience; however, it acknowledged that our organization has become more diverse over time. In 2015-2016, we also introduced a new metric to track on a quarterly basis the diversity of external new hires in comparison with the Canadian labour force availability. It showed progress by the end of the year.

Workforce Adjustments

In June 2014, we announced our strategic plan and its reduction impact on the workforce of between 1,000 and 1,500 positions. While the implementation is not completed, through hard work, careful management and conversations with our unions, the maximum number of reductions is now forecast to be approximately 1,150 FTEs. To date about 40% of the FTEs eliminated have been through attrition.

In terms of hiring, we have already hired close to 150 people to help support our strategy, and we are planning on hiring at least another 300 in the next years to improve our digital skills.

Labour Relations and Talent Agreements

In our second and third quarterly reports, we provided updates on the new French Services union structure. Moving forward, we are open to constructive dialog with the Association des réalisateurs (AR) and the Syndicat des communications de Radio-Canada (SCRC), and will work to promote discussions that help us reach new collective agreements that are good for not only our organization and employees, but for our audience as well. Pursuant to the provisions of the ***Canada Labour Code***, the parties were given the right to exercise a strike or lockout as of May 15, 2016. The right being granted does not bind the parties into exercising it.

As part of our ongoing "living" agreement with the Canadian Media Guild, the Corporation and the union will convene in the summer of 2016 to address any areas of the agreement that require clarification or update.

Negotiations began in April 2016 with the Association of Professionals and Supervisors (APS), as their current agreement expires in June 2016, and are also ongoing with the Union des artistes (UDA) and ACTRA. An agreement was reached with the Canadian Federation of Musicians (CFM) to extend the current collective agreement for a short period.

In French Services, a joint committee between the Human Resources team and the SCRC was created to ensure discussions between the parties on subjects not related to labour relations, but rather to the business environment; the committee has met twice to date and the tone has been cordial.

EXECUTIVE CHANGES

- In April 2015, Judith Purves joined CBC/Radio-Canada as Executive Vice-President and Chief Financial Officer;
- In May, Sylvie Gadoury became the Vice-President, Legal Services, General Counsel and Corporate Secretary;
- In June, Steven Guiton was named the Executive Vice-President of the corporation's newest media component, Media Technology and Infrastructure Services (MTIS), which also includes the Real Estate portfolio;
- Bill Chambers announced in July his departure effective at the end of August as Vice-President, Strategy & Public Affairs, and he was replaced in the interim by Marco Dubé, Regional Director of Radio-Canada Ottawa-Outaouais. Alex Johnston joined us in February 2016 as the Vice-President of Strategy and Public Affairs;
- In August 2015, Josée Girard joined as the Vice-President of People and Culture; and
- In June 2016, Louis Lalande announced that he is retiring as Executive Vice-President of French Services, effective the end of December 2016. A recruitment process was launched immediately with the goal of having his successor in place by the end of the year.

STRATEGY 2020 PERFORMANCE METRICS

Indicator	Fiscal Year 2014-2015	Fiscal Year 2015-2016	Target 2015-2016	Target 2016-2017	Expected Shape of Growth	2020 Target
7. Employee engagement (% proud to be associated)[30]	N/A	**69%**	N/A	74%		90%
8. Employee diversity (% of new employees)[31]	16.1%	**18.5%**	23.2%	23.2%		23.2%

OUTLOOK

Looking ahead to 2016-2017, the Corporation will be recruiting for the newly created position of Values and Ethics Commissioner. Additionally, we will be conducting a second employee survey, following up from our employee engagement survey conducted in 2015-2016 in partnership with Gallup. We anticipate this survey will be conducted in October 2016.

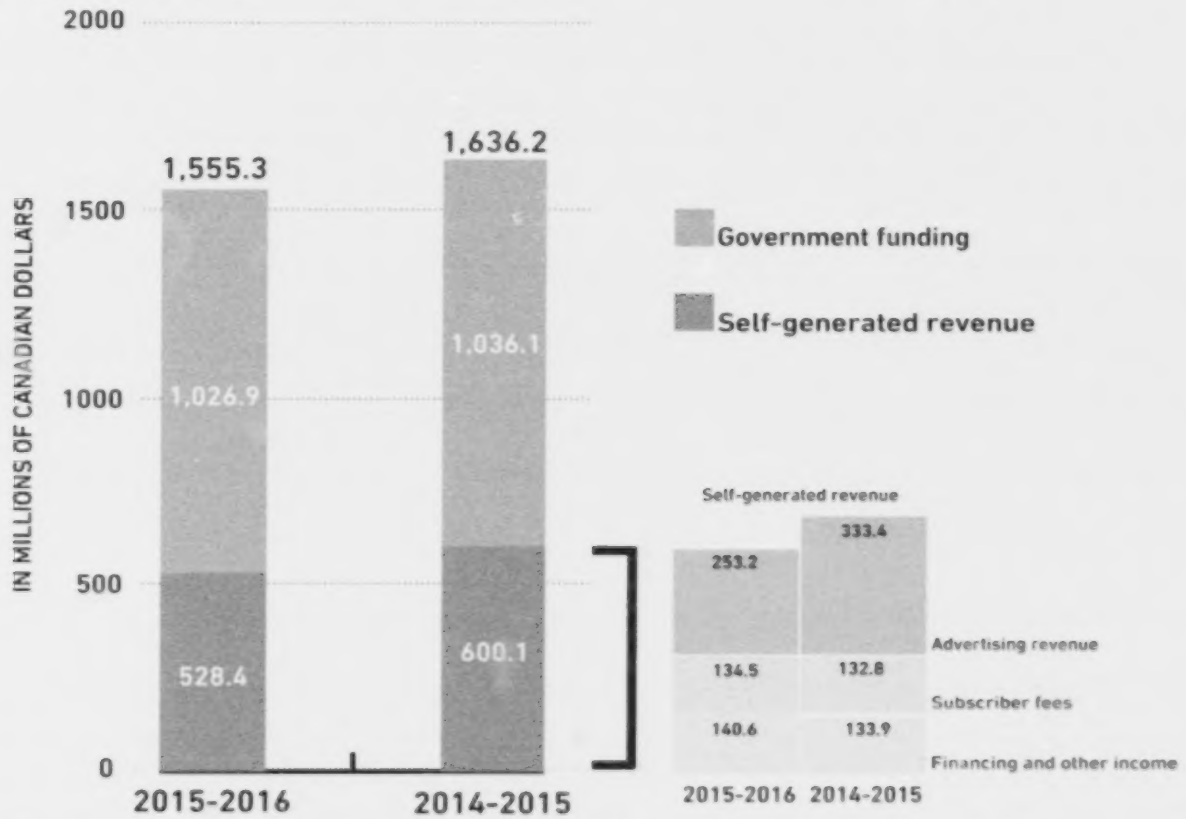
[30] Source: Gallup Consulting, Dialogue 2015 Survey. This is the per cent of employees who are proud to be associated with CBC/Radio-Canada. This is measured as the per cent who respond 4 to 5 on a scale of 1 to 5 in a representative survey of employees. The last employee survey was conducted in 2012, so the 2015-2016 target could not be set last March.

[31] This metric is made up of three groups: Aboriginal Peoples, persons with disabilities and visible minorities. It is calculated as a per cent of new external hires for positions of 13 weeks or more.

FINANCIAL SUSTAINABILITY

REVENUE AND OTHER SOURCES OF FUNDS

We have four sources of direct funding: government appropriations for operating and capital expenditures, advertising revenue, subscriber fees, and financing and other income.



Government funding (66% of sources in 2015-2016): Government funding of $1,026.9 million was recognized during the year, including $94.6 million of amortization of deferred capital funding. A freeze of salary inflation funding for 2015-2016 was confirmed by the government in its November 2013 Economic Update. This meant that any salary increases for our employees were managed through cost reductions in other areas.

Advertising revenue (16% of sources in 2015-2016): Revenue from selling advertising on our conventional and specialty television channels, CBC Radio 2, ICI Musique, and other platforms. Advertising revenue is decreasing as a proportion of our total revenue and sources of funds as a result of the end of our broadcast rights contract with the NHL and the market shift away from conventional advertising platforms (the Canadian television advertising market decreased by 4% during the fiscal year).[32]

Subscriber fees (9% of sources in 2015-2016): Fees from our specialty services – CBC News Network, *documentary*, ICI EXPLORA, ICI ARTV, ICI RDI, the new ICI Tou.tv EXTRA premium package and Curio.ca.

Financing and other income (9% of sources in 2015-2016): Includes income from activities such as rental of real estate assets, leasing of space at our transmission sites, host broadcasting, contributions from the Canada Media Fund and program sales.

[32] Source: ThinkTV.

FINANCIAL CONDITION, CASH FLOW AND LIQUIDITY

We rely on parliamentary appropriations and the cash generated from our commercial operations to fund our operating activities, including our capital needs in an environment highly dependent on technology. Specifically, our main sources of liquidity are parliamentary appropriations for operating, capital and working capital requirements, and self-generated revenue such as the sale of advertising on our various platforms. Our cash flows from operating, investing and financing activities for the year are summarized below.

Our cash balance at March 31, 2016, was $156.5 million, compared to $214.9 million on March 31, 2015. Last year's cash balance reflected several one-time receipts, including the proceeds from the sale of a portion of our equity interest in SiriusXM Canada Holdings Inc. (SiriusXM) and collections on advertising revenue following our broadcast of the Sochi 2014 Olympic Winter Games.

CASH POSITION

	For the year ended March 31		
(in thousands of Canadian dollars)	2016	2015	% change
Cash - beginning of the year	214,884	61,974	246.7
Changes in the year			
Cash from (used in) operating activities	(29,985)	116,461	N/M
Cash used in financing activities	(57,255)	(61,765)	7.3
Cash from investing activities	28,821	98,214	(70.7)
Net change	(58,419)	152,910	N/M
Cash - end of the year	156,465	214,884	(27.2)

N/M = not meaningful

CASH FROM (USED IN) OPERATING ACTIVITIES

Cash used in operating activities was $30.0 million this year, a decrease of $146.4 million compared to last year. Cash from (used in) operations is impacted each year by fluctuations in working capital, and 2015-2016 saw a $67.7 million increase in our short-term programming inventory, mostly as a result of prepayments for the Rio 2016 Olympic Games. We had also generated additional cash in operations in 2014-2015, the largest source being collections on advertising revenue following our broadcast of the Sochi 2014 Olympic Winter Games and the 2013-2014 NHL season playoffs.

CASH USED IN FINANCING ACTIVITIES

Cash outflows for financing activities were $57.3 million, lower than last year by $4.5 million, as a result of cash used in February 2015 to settle our remaining obligations under finance leases for mobile and office equipment and to purchase the related assets.

Other cash outflows for financing activities in both years presented above relate to:

- interest payments;
- repayments of the Toronto Broadcast Centre bonds;
- payments of notes payable; and
- payments to meet obligations under our satellite transponder finance leases.

CASH FROM INVESTING ACTIVITIES

Investing activities generated cash of $28.8 million this year, compared to $98.2 million in 2014-2015. The higher cash inflows last year were mostly attributable to:

- The receipt of $33.5 million in net proceeds from the July 2014 sale of a portion of the shares we hold in SiriusXM; and
- Dividends received of $16.9 million from our remaining investment in SiriusXM (compared to $5.5 million in 2015-2016).

Acquisition of property and equipment was higher this year, as a result of the consolidation of our locations in both Halifax and Moncton, the relocation of our station in Sudbury, and HD upgrades to our production facilities in Ottawa and Quebec City.

BORROWING PLAN

The *Broadcasting Act*, section 46.1, confers on CBC/Radio-Canada the authority to borrow up to $220.0 million, or such greater amount as may be authorized by Parliament, subject to approval of the Minister of Finance. Section 54.(3.1) of the Act requires that our borrowing plan be included in our Corporate Plan. Borrowing to meet working capital purposes is prohibited.

When we sold long-term accounts receivable in 2009 as part of our Financial Recovery Plan, which addressed the impact of the global economic slowdown and declining television advertising revenue, we provided a guarantee to investors to obtain the best possible value for selling the receivables. This guarantee was deemed to be borrowing. The outstanding amounts against the borrowing authority are as follows:

(in thousands of Canadian dollars)

Total borrowing authority available:	220,000
Authority used as at March 31, 2016:	
Guarantee on accounts receivable monetization	(129,725)
Remaining authority	90,275

Under the *Broadcasting Act*, section 47.(1), we are an agent of the Crown and therefore have the constitutional immunities, privileges and prerogatives that are enjoyed by the Crown. The Crown is also fully liable and financially exposed for all our actions and decisions while we are operating within our mandate. In other words, our assets and liabilities are the assets and liabilities of the Government of Canada.

CBC Saskatchewan's *The Morning Edition* host Sheila Coles and announcer Ted Deller during Comfort and Joy Open House

YEAR IN REVIEW – OUR RESULTS

RESULTS UNDER IFRS AND ON A CURRENT OPERATING BASIS

The following analysis provides a more detailed discussion of our financial performance.

	For the year ended March 31		
(in thousands of Canadian dollars)	2016	2015	% change
Revenue	528,386	600,135	(12.0)
Expenses	1,619,565	1,722,292	(6.0)
Results before Government funding and non-operating items	(1,091,179)	(1,122,157)	2.8
Government funding	1,026,929	1,036,096	(0.9)
Results before non-operating items	(64,250)	(86,061)	25.3
Non-operating items	257	38,670	(99.3)
Net results under IFRS for the year	(63,993)	(47,391)	(35.0)
Items not generating or requiring funds from operations			
Pension and other employee future benefits	70,112	45,813	53.0
Depreciation, amortization and decommissioning expenses, net of amortization of deferred capital funding	19,505	23,473	(16.9)
Other provisions for non-cash items	(24,930)	(2,671)	(833.4)
Results on a Current Operating Basis[1]	694	19,224	(96.4)

[1] Results on a Current Operating Basis is a non-IFRS measure. An explanation of Results on a Current Operating Basis is provided below.

NET RESULTS UNDER IFRS FOR THE YEAR

Net results under IFRS for the year were a loss of $64.0 million, greater than the loss of $47.4 million incurred in 2014-2015. The decrease this year is due in large part to the proceeds of $33.5 million included in 2014-2015 results following the sale of our interest in SiriusXM.

Our Results before non-operating items exclude, among other things, the gain on SiriusXM recorded last year. This measure illustrates the improvement in our results achieved this year relative to 2014-2015. Results before non-operating items increased by 25.3% ($21.8 million) due to:

- Lower operating expenses more than offsetting revenue decreases. While our production spending associated with the broadcast of events decreased this year, we have also been successful in reducing our ongoing operating expenses through cost-reduction initiatives. These savings are allowing us to reinvest in our content. In addition, we incurred some event costs this year as we covered the Toronto 2015 Pan Am and Parapan Am Games.
- Government funding levels remaining consistent with 2014-2015.

Included in Net results under IFRS for the period are items that do not currently generate or require funds from operations, as explained below.

RESULTS ON A CURRENT OPERATING BASIS

Results on a Current Operating Basis amounted to a gain of $0.7 million this year, a decrease of $18.5 million when compared to last year. This result is close to break even, consistent with management's objective to balance the Corporation's budget. Last year's Results on a Current Operating Basis of $19.2 million included proceeds from the sale of some of our equity interest in SiriusXM.

CBC/Radio-Canada defines Results on a Current Operating Basis as Net Results under IFRS less the adjustments for non-cash expenses that will not require operating funds within one year and non-cash revenues that will not generate operating funds within one year. This measure is used regularly by management to help monitor performance and balance the Corporation's budget consistent with parliamentary appropriations. We believe this measure provides useful complementary information to readers, while recognizing that it does not have a standard meaning under IFRS and will not likely be comparable to measures presented by other companies.

Adjustments include the elimination of non-cash pension and other employee future benefit costs, which represent the excess of the IFRS expense over the actual cash contribution for the year. Adjustments are also made for other non-cash items such as the depreciation, amortization and decommissioning of capital assets; the amortization of deferred capital funding; and non-budgetary annual leave. Other less significant items not funded or generating funds in the current period, primarily employee-benefit-related, are adjusted for in the reconciliation to Results on a Current Operating Basis.

REVENUE

(in thousands of Canadian dollars)	For the year ended March 31		
	2016	2015	% change
Advertising			
English Services	126,225	194,750	(35.2)
French Services	126,995	138,670	(8.4)
	253,220	333,420	(24.1)
Subscriber fees			
English Services	73,614	74,731	(1.5)
French Services	60,927	58,083	4.9
	134,541	132,814	1.3
Financing and other income			
English Services	72,222	57,656	25.3
French Services	26,589	33,957	(21.7)
Corporate Services	41,814	42,288	(1.1)
	140,625	133,901	5.0
TOTAL	528,386	600,135	(12.0)

Our self-generated revenue decreased by $71.7 million (12.0%) in 2016, as described below.

ADVERTISING (▼ 24.1%)

Our advertising revenue depends on the different events of significant importance we cover throughout the year, the overall health of the advertising market and the success of our programming schedule.

The $80.2 million decrease in advertising revenue this year resulted from:

EVENTS (▼ $73.4 million)

Advertising revenue from events was lower this year due to:

- The end of our contract with the NHL in June 2014 after Rogers acquired the broadcast rights. Last year's revenue included advertising from the 2013-2014 hockey season playoffs (broadcast April to June 2014); and
- The impact of the 2014 FIFA World Cup Brazil advertising, which also increased last year's results.

These decreases were partially offset by additional advertising revenue this year from our coverage of the Toronto 2015 Pan Am and Parapan Am Games.

ONGOING ACTIVITIES (▼ $6.8 million)

This 2.7% decrease in advertising revenue from ongoing activities was due to:

- The persistent softness of the conventional and specialty Canadian TV advertising markets, which were down 4% this year; and
- Lower revenue following the end of the *Steven and Chris* show on CBC.

These decreases were partially offset by higher digital advertising revenue as we continue to enhance our digital presence, consistent with *Strategy 2020*.

SUBSCRIBER FEES (▲ 1.3%)

Our subscriber revenue is driven by the size of our subscriber base, which has remained relatively stable when compared to the prior year, despite the cord-cutting and cord-shaving trends adversely affecting the cable industry. For more details on our subscriber base by specialty channel, refer to the *Content and Services* section of this report.

Our subscriber revenue increased by $1.7 million (1.3%) relative to last year. The main changes by specialty channel are highlighted below:

- ICI EXPLORA's revenue was higher by one third following a new distribution deal negotiated with a cable company; and
- ICI Tou.tv EXTRA doubled its revenue this year, partly reflecting the success of its strategy of making some shows, such as *Série Noire* (season 2), exclusively available to its subscribers before their TV launch.

These increases were partly offset by CBC News Network's revenue decreasing by 2.0% as its subscriber base continued to decline slightly.

FINANCING AND OTHER INCOME (▲ 5.0%)

Financing and other income depends on the different events of significant importance we cover throughout the year since it includes host broadcasting services and revenue from the sale of rights. It also reflects the revenue from our rental, production and digital activities amongst others. More information about our revenue streams is also provided in note 20 *Revenue* of our consolidated financial statements.

The 5.0% ($6.7 million) increase in financing and other income this year resulted from:

EVENTS (▲ $9.6 million)

Other income from events doubled this year to $24.5 million due to our host broadcasting activities of the Toronto 2015 Pan Am and Parapan Am Games.

This increase was partially offset by:

- The absence of income from the Local Programming Improvement Fund after the fund was discontinued in August 2014; and
- Lower digital rights and production revenue since last year's results included digital rights revenue from the 2014 FIFA World Cup Brazil and host broadcasting revenue for the FIFA U-20 Women's World Cup.

ONGOING ACTIVITIES (▼ $2.9 million)

This 2.4% decrease in financing and other income arising from ongoing activities was due to:

- Lower revenue from the rental of CBC's mobile production assets, which were sold in June 2015;
- A decrease in facilities rental income received from independent producers, consistent with Radio-Canada's strategy to reduce its number of internal productions; and
- Lower retransmission rights revenue recognized following the receipt of a retroactive payment last year.

7$ par jour, ICI Tou.tv

OPERATING EXPENSES

(in thousands of Canadian dollars)	For the year ended March 31		
	2016	2015	% change
Television, radio and digital services costs			
English Services	853,685	939,164	(9.1)
French Services	663,798	683,670	(2.9)
	1,517,483	1,622,834	(6.5)
Other operating expenses			
Transmission, distribution and collection	70,489	71,758	(1.8)
Corporate management	10,061	9,823	2.4
Payments to private stations	1,380	2,386	(42.2)
Finance costs	28,132	30,574	(8.0)
Share of results in associate	(7,980)	(15,083)	47.1
	102,082	99,458	2.6
TOTAL	1,619,565	1,722,292	(6.0)

Our operating expenses decreased by 6.0% ($102.7 million) compared to last year, with the main variances noted below.

TELEVISION, RADIO AND DIGITAL SERVICES COSTS (▼ 6.5%)

Television, radio and digital services costs depend on the different events of significant importance we cover throughout the year and on our ongoing programming schedule. They represent the costs we incur in relation to the production of our programs, including the cost of our technical labour and facilities.

The 6.5% ($105.4 million) decrease in Television, radio and digital services costs resulted from the following:

EVENTS (▼ $69.8 million)

Expenditures from events decreased by $69.8 million this year as last year's expenses included rights and production costs for *Hockey Night in Canada* and the 2014 FIFA World Cup Brazil;

These decreases were partially offset by:

- Additional costs incurred this year for broadcasting the Toronto 2015 Pan Am and Parapan Am Games; and
- Costs incurred for the first full year under our new agreement with Rogers for the continued broadcast on Saturdays and during the playoffs of *Hockey Night in Canada*, which started in July 2014.

ONGOING ACTIVITIES (▼ $35.6 million)

Our operating costs also continued to decrease this year by $35.6 million, or 2.2%. This reflected:

- The continued effect of our cost-savings initiatives that provided approximately $60 million in annual savings;
- The fact that last year's results included $30 million of restructuring expenses in line with the announcements made in 2014 and 2015 as we balanced our budget and launched our then new strategic plan, *Strategy 2020*; and
- A downward revision of two legal provisions following new information obtained on these cases.

These decreases were partially offset by:

- Reinvestment of approximately $30 million in content across the Corporation, in line with *Strategy 2020*;
- Higher pension expense due to a change in actuarial assumptions; and
- Additional promotional expenses incurred for the launch of some of our new and recurring shows this year.

OTHER OPERATING EXPENSES (▲ 2.6%)

Other operating expenses include costs related to the broadcasting of the Corporation's programs ("transmission, distribution and collection" and "payments to private stations"), corporate management costs, finance costs and the recognition of our share in our associate results (SiriusXM).

Other operating expenses increased by 2.6%, with the main variances highlighted below:

- Our share of results in associate decreased by 47.1% mainly because last year's results included the receipt of a special dividend of $10.4 million from SiriusXM. Note we also sold some of our shares in SiriusXM last year; that is discussed below as a non-operating item.
- This was partially offset by:

  The continued decrease in our finance costs consistent with our expectations;
  Reduced transmission, distribution and collection expenses as we continue to see the effects of our cost-reduction initiatives; and
  Lower payments to private stations mostly due to the end of one of our affiliate agreements with a private broadcaster.

GOVERNMENT FUNDING

(in thousands of Canadian dollars)	For the year ended March 31		
	2016	2015	% change
Parliamentary appropriations for operating expenditures	928,332	929,284	(0.1)
Parliamentary appropriations for working capital	4,000	4,000	-
Amortization of deferred capital funding	94,597	102,812	(8.0)
TOTAL	1,026,929	1,036,096	(0.9)

Parliamentary appropriations for operating expenditures remained at a comparable level in 2015-2016. This is consistent with our expectations after the final phase of Federal Budget 2012 was implemented last year.

Capital funding is recorded as deferred capital funding. It is amortized and recognized as revenue over the same periods as the related property and equipment' and intangible assets are used in CBC/Radio-Canada's operations. The decrease of $8.2 million (8.0%) largely reflects the lower value of our asset base as we simplify our infrastructure and reduce our real estate footprint, consistent with our strategy.

NON-OPERATING ITEMS

(in thousands of Canadian dollars)	For the year ended March 31		
	2016	2015	% change
Gain on sale of shares	-	33,548	(100.0)
Gain on disposal of property and equipment and intangibles	257	5,122	(95.0)
TOTAL	257	38,670	(99.3)

The small non-operating gain this year was largely due to asset retirements in the normal course of our business.

Gains of $38.7 million last year resulted from:

- A non-operating gain on sale of shares of $33.5 million from the sale of a portion of our equity interest in SiriusXM in 2014; and
- Gain on disposal of property and equipment and intangibles of $5.1 million, mostly reflecting insurance proceeds received in 2014 relating to mobile production assets destroyed in a fire.

TOTAL COMPREHENSIVE INCOME (LOSS)

(in thousands of Canadian dollars)	For the year ended March 31		
	2016	2015	% change
Net results for the year	(63,993)	(47,391)	(35.0)
Other comprehensive income (loss)			
Remeasurements of defined benefit plans	32,745	187,457	N/M
Total comprehensive income (loss) for the year	(31,248)	140,066	N/M

N/M = not meaningful

Total comprehensive loss recognized this year was $31.2 million, compared to a gain of $140.1 million in the prior year. In addition to net results, total comprehensive income includes remeasurements of pension plan values. These remeasurements are driven by significant non-cash fluctuations in our pension plan's obligations and assets that occur when actual results or interest rates differ from our actuarial assumptions. We recognize these movements immediately in other comprehensive income each reporting period.

A gain of $32.7 million was recognized this year on remeasurements of defined benefit plans as a result of a decrease in our plan obligations due to a 25 basis-point increase in the discount rate used to value these long-term liabilities. This decrease was partly offset by a lower return on plan assets than estimated as part of our actuarial assumptions.

In 2014-2015, a gain of $187.5 million was recognized from remeasurements of our defined benefit plans. This gain was due to a higher return on our plan assets than the return used in our plan assumptions, partly offset by the impact of reducing the discount rate used to value the pension obligations by 75 basis-points.

SEASONALITY AND QUARTERLY FINANCIAL INFORMATION

The following table shows condensed financial data for the previous eight quarters. This quarterly information is unaudited, but has been prepared on the same basis as the annual consolidated financial statements. We discuss the factors that caused our results to vary over the past eight quarters within this management discussion and analysis.

(in thousands of Canadian dollars)	For the year ended March 31, 2016			
	Q1	Q2	Q3	Q4
Revenue	118,521	142,357	139,173	128,335
Expenses	(364,808)	(373,958)	(418,558)	(462,241)
Results before Government funding and non-operating items	(246,287)	(231,601)	(279,385)	(333,906)
Government funding	169,163	242,790	254,121	360,855
Results before non-operating items	(77,124)	11,189	(25,264)	26,949
Non-operating items	1,070	1,105	(1,817)	(101)
Net results under IFRS for the period	(76,054)	12,294	(27,081)	26,848
Results on a Current Operating Basis	(52,651)	18,259	(1,734)	36,820

	For the year ended March 31, 2015			
	Q1	Q2	Q3	Q4
Revenue	192,592	138,129	142,971	126,443
Expenses	(469,521)	(362,923)	(416,216)	(473,632)
Results before Government funding and non-operating items	(276,929)	(224,794)	(273,245)	(347,189)
Government funding	247,755	128,177	265,305	394,859
Results before non-operating items	(29,174)	(96,617)	(7,940)	47,670
Non-operating items	(4,395)	43,410	1,988	(2,333)
Net results under IFRS for the period	(33,569)	(53,207)	(5,952)	45,337
Results on a Current Operating Basis	(7,421)	(55,536)	15,394	66,787

Our operating results are subject to seasonal fluctuations that materially impact quarter-to-quarter operating results.

Revenue generated during the second quarter of the year is usually at its lowest level because the summer season attracts fewer viewers. In contrast, revenue in the third quarter is comparably higher as audiences are larger and more advertisers purchase airtime in anticipation of the holiday season.

Expenses also tend to follow a seasonal pattern because they are influenced by the programming schedule. Operating costs tend to be higher in the fourth quarter as the Corporation incurs costs preparing for the fall broadcasting season and completes project deliverables due by the end of the fiscal year.

Historically, revenue and expenses in the first quarter of each financial year were typically higher due to our coverage of NHL playoffs. With the end of CBC's contract with the NHL in 2014-2015, the seasonality of our revenue is becoming more reflective of general market, economic and viewership patterns affecting all conventional broadcasters.

Government funding is recognized in the Corporation's income based on budgeted net expenses for the quarter. Monthly and quarterly budgets are established from the annual budget approved by the Board of Directors at the beginning of each year, and reflect expected appropriation funding for the year and seasonal impacts on expenditures and self-generated revenue.

Other factors may impact net results from quarter to quarter. These may include foreign exchange gains or losses, changes to the fair value of derivative financial instruments, asset write-offs and sales. When appropriate, these are recorded as non-operating items. As indicated in the table, the Corporation recorded lower levels of non-operating gains and losses in 2015-2016 compared to 2014-2015, mostly explained by the gain of $33.5 million from the sale of a portion of our investment in SiriusXM recorded in the second quarter of 2014-2015.

COMPARISON OF 2015-2016 AND 2014-2015 BY QUARTER

QUARTER	REVENUE	EXPENSES
Q1	The lower revenue compared to the same period in the prior year is mainly driven by the impact of the 2013-2014 NHL season playoffs (from April to June 2014) on 2014-2015 advertising.	Expenses are lower relative to the equivalent period in the previous year, which is mostly explained by the cost of the broadcast rights to the 2013-2014 NHL season playoffs. Restructuring costs had also been incurred in 2014-2015.
Q2	Incremental advertising revenue generated by our coverage of the Toronto 2015 Pan Am and Parapan Am Games in the year considered was lower than that generated by the FIFA 2014 World Cup Brazil last year. However, overall revenue was higher in 2015-2016 because of the host broadcasting revenue related to the Pan Am and Parapan Am Games.	Broadcast rights and production costs for the Toronto 2015 Pan Am and Parapan Am Games were higher than the similar costs related to FIFA 2014 World Cup Brazil incurred in the same period of last year.
Q3	Third quarter revenue in 2015-2016 was slightly lower compared to the same period in 2014-2015. The variance is mostly explained by the softness of the television advertising market.	Expenses in the third quarter of 2015-2016 were slightly higher than the same period in the previous year, and reflect a reinvestment in the fall television schedule, offset by savings from cost-reduction initiatives.
Q4	Revenue in the fourth quarter of 2015-2016 was generally consistent with the same period in the previous year.	Fourth quarter expenses in 2015-2016 were lower compared to the same period in 2014-2015, the result of cost-reduction initiatives.

STRATEGY 2020 PERFORMANCE METRICS

Indicator	Fiscal Year 2014-2015	Fiscal Year 2015-2016	Target 2015-2016	Target 2016-2017	Expected Shape of Growth	2020 Target
9. Achieve cost reduction target	N/A	**62 million**	62 million	85.1 million		117 million
10. Achieve investment fund target[33]	N/A	**5 million**	5 million	N/A		20 million

OUTLOOK

On March 22, 2016, the Government of Canada announced an important reinvestment in Canada's public broadcaster: an additional $75 million in 2016-2017 and $150 million per year on an ongoing basis. This reinvestment is a tremendous vote of confidence by government and by Canadians in our programs and services. This multiyear funding commitment will provide the stability to continue our digital transformation and invest in the programs and services important to Canadians. We will report to the Government of Canada and to Canadians on our use of these new funds.

Our revenue continues to be exposed to the industry-wide softening of advertising markets and the shift of advertising away from traditional television to digital platforms. We are closely monitoring the situation, as we expect the advertising market to remain challenged.

We are also continuing to monitor and assess the financial impacts of the decisions made by the CRTC's *Let's Talk TV* review on the TV broadcasting industry in Canada. Changes resulting from these regulatory decisions could affect our specialty channel revenue. Plans have been developed to mitigate negative changes to our specialty channel distribution and revenue, including negotiating the channel carriage of our specialty channels with our cable, satellite or microwave distribution partners.

These uncertainties threatened some of the content creation and some digital initiatives planned under *Strategy 2020*. As such, about 35% of the new funding will go to ensuring our momentum and the work underway in order to continue moving forward with the transformation of CBC/Radio-Canada into the digital public space, while we work with government and other stakeholders to reinvent our business model.

On May 13, 2016, SiriusXM Canada Holdings Inc. announced its intention to recapitalize the company by way of a go-private transaction. CBC/Radio-Canada intends on voting in favour of the proposed plan. The transaction would involve the sale of its 10.2% stake at $4.50 a share, generating proceeds of approximately $58 million. The programming partnership will continue through 2022.

[33] As of 2016-2017, the investment fund target indicator is no longer required due to the Government's reinvestment in CBC/Radio-Canada, and will not be included in the *Strategy 2020* Performance Report.

RISK MANAGEMENT AND GOVERNANCE

RISK MANAGEMENT AND KEY RISK TABLE

As Canada's national public broadcaster, CBC/Radio-Canada occupies an important place in the Canadian broadcasting system and faces a unique set of risks to its plans and operations. Like all broadcasters, the Corporation must adapt to technological changes, shifts in demographics and evolving consumer demands, as well as structural changes in the industry. Given our statutory mandate to serve all Canadians, CBC/Radio-Canada also faces unique public expectations and financial challenges.

It is CBC/Radio-Canada policy to develop, implement and practice effective risk management to ensure risks and opportunities that impact the Corporation's strategies, objectives and operations are identified, assessed and managed appropriately.

CBC/Radio-Canada's Risk Management Program is part of an enterprise-wide approach integrated into business processes. Responsibility for risk management is shared among CBC/Radio-Canada's Board of Directors, the Board's Audit Committee, the Senior Executive Team and operational units.

1 BOARD

The Board oversees our key risks at a governing level, approves major policies, and ensures that the processes and systems required to manage risks are in place.

2 AUDIT COMMITTEE

The Audit Committee of the Board discharges its stewardship and oversight responsibilities over risk management by monitoring key risks, discussing their status with management at quarterly Audit Committee meetings and ensuring that management has programs for evaluating the effectiveness of internal controls.

3 SENIOR EXECUTIVE TEAM

The Senior Executive Team identifies and manages risks, reports on our key risks to the Audit Committee and the Board, recommends policies, and oversees financial reporting and internal control systems.

4 MEDIA AND SUPPORT BUSINESS UNITS

Media and support business units initially identify and assess risks through the annual business plan process, and develop and execute detailed plans to manage risks. Risks are prioritized based on their potential impacts and their likelihood of occurring.

Internal Audit plans its audits in accordance with the results of the risk assessment process, and provides assurance that major risks are covered on a rotational basis by the annual audit plan.

The following table discusses the key risks faced by CBC/Radio-Canada during fiscal year 2015-2016 and the ongoing impact into 2016-2017.

KEY RISKS	RISK MITIGATION	FUTURE IMPACT
1. *Strategy 2020* Implementation Our ability to deliver our mandate is challenged by a shift from traditional television to specialty television and digital platforms, rapid technology evolution, changing media consumption habits, and industry fragmentation. *Strategy 2020* is a framework within which we can make strategic choices, even as market conditions and audience habits evolve. The ability to execute the strategy will determine achievement of plan objectives. The Government has pledged reinvestments in CBC/Radio-Canada ($75 million in 2016-2017 and $150 million per year on an ongoing basis) and we have developed spending priorities for this reinvestment consistent with *Strategy 2020*.	Review and refresh *Strategy 2020* by incorporating the amount, timing and impact of the new incremental government funding into the strategic plan. Take leadership in initiating a conversation amongst key players to reshape ecosystem and industry funding requirements. Continue to promote and share strategic plan information with stakeholders both internally and externally. Emphasize context and shifts in the media landscape that demonstrate a need for our plan. Continue to reaffirm that changes associated with the strategy are needed to ensure that we are better positioned to meet the evolving needs of Canadians and the fundamental shifts transforming the media landscape. Take leadership in bringing together international public broadcasters to reflect on strategic challenges. Develop and implement change management strategies. Monitor implementation closely to ensure adherence to plan.	The strategic framework will position the Corporation to succeed now, as well as in an age beyond traditional broadcasting. It will ensure that the services we provide, and the operating model that supports those services, evolve in tandem with the changing expectations of Canadians and the movements of our industry.
2. Budget Concerns We face financial challenges that include an industry-wide softening of the advertising market and a shift of advertising dollars from traditional television to digital platforms. The implementation of the *Let's Talk TV* decisions, such as small basic packages and discretionary services being offered on a stand-alone basis or in small packages, may negatively impact subscriber and advertising revenue. The potential impact of such decisions will become clearer in the coming months.	Reductions required to finance *Strategy 2020* have been identified and incorporated into the five-year financial plan developed to support the new strategy. Detailed monitoring is required to ensure expected outcomes are achieved. Assess potential ramifications of CRTC decisions to CBC/Radio-Canada revenues and operations, and develop, implement or modify strategies as required.	Further advertising weakening and reduced subscriber revenues may require changes to implementation plans.
3. Workforce Challenges – Recruiting, Training, Retaining and Empowering a Skilled Workforce The degree to which staff is aligned with our strategic plan will have an impact on engagement, retention and our ability to achieve objectives. Managers and employees require the necessary skill set to adapt to an accelerated pace of change and the transformation needs of *Strategy 2020*. Staff reductions create a climate of uncertainty and stress that may lead to reduced morale, lower productivity and increased turnover.	Develop and implement an enterprise change management plan, including support activities linked to major projects that enable *Strategy 2020*. Change management activities will include the following: transparent communication to employees and unions; involvement of employees in change; continued investment in learning and development (including digital skills); and increased efforts to recognize employee contributions. Implement action plans to address recommendations of the Rubin Report and our commitment to a respectful work environment for all employees. Implement action plans to address the 2015 Employee Dialogue Survey results, as well as perform an Employee Dialogue Survey in fall 2016 to ascertain the effectiveness of the action plan.	The retention and engagement of a strong workforce is essential to achieve our strategic objectives. We will maintain our momentum to train people for this new digital world, train leaders to even better-support their teams and continue building a strong foundation of business skills across the Corporation.

KEY RISKS	RISK MITIGATION	FUTURE IMPACT
4. Reputation and Brand Management CBC and Radio-Canada are among the most prominent and most discussed brands in the country. In addition, they are brands that every Canadian feels rightly justified in having and expressing an opinion on. At any time, an event or an incident, large or small, can touch a nerve and instigate a controversy of national proportions. There is a risk that negative perceptions of CBC/Radio-Canada may undermine credibility and stakeholder support.	Use of a comprehensive issue management system that: • monitors the environment; • identifies potential issues and the stakeholder groups they could affect; • prepares for them; and • provides messaging and guidance to senior leaders, line managers and communications staff across the system. Ensure that a strong crisis management response that stresses transparency and decisive action is implemented to address critical issues.	Clear and transparent action plans to deal with critical issues will improve credibility and stakeholder support.
5. Union Relations and Negotiations There are a number of agreements that are expired or expiring in the upcoming months. Negotiations underway include the collective agreement for the new merged French union represented by the Syndicat des Communications de Radio-Canada (SCRC), Association des réalisateurs (AR), Canadian Media Guild (CMG), Association of Professionals and Supervisors (APS), Union des Artistes (UDA), and ACTRA. There is a risk that prolonged proceedings to resolve the Radio-Canada union structure will make the negotiation of the first collective agreement long and difficult. This could negatively affect the working relationship between management and employees, and negatively affect implementation plans of *Strategy 2020* and the attainment of plan objectives. There is a risk of disruption to operations due to labour stoppage(s) triggered during multiple negotiations.	Continue transparent communications to employees and unions and involvement of employees in the development of strategic initiatives. Develop clear negotiation mandates that ensure flexibility in working conditions and reduction of jurisdictional barriers between bargaining units. Pending a Court of Appeal hearing on merging the two Radio-Canada bargaining units into one, commence negotiation with the new bargaining unit, Syndicat des Communications de Radio-Canada (SCRC), for its first collective agreement and with Association des réalisateurs (AR) members. Update contingency plans in case of labour disruption.	Continue negotiations with the bargaining units.
6. Real Estate Replacement and Optimization There are risks that infrastructure replacement and optimization projects may be delayed or unsuccessful, leading to: • continued risk of ownership (capital and operating costs and management of excess space); and • inability to achieve stated real estate footprint reduction target of approximately two million square feet by 2020.	Sell or reduce space in non-functional or under-utilized buildings when positive business case exists. Continue competitive leasing strategy for surplus facilities.	Continue with initiatives to sell or rent excess capacity in our facilities. We are working to review potential scenarios on the Maison de Radio-Canada (MRC) redevelopment project reinitiated in November 2015. On May 18, 2016, the Board of Directors shortlisted two proposals, both of which would see the public broadcaster's Montreal home remain on a portion of the same site. The proposals will be assessed to determine the one that best suits our needs (functional, technical and financial). Regarding the sale of the existing facility, the final phase of the process will continue with four proponents. The final choice of proposal, both for the new MRC and the sale of the existing facility, is expected in fall 2016 and will need to be approved by the Treasury Board. A project is underway to consider our options with respect to the Toronto Broadcast Centre.

KEY RISKS	RISK MITIGATION	FUTURE IMPACT
7. Information Security There is a risk that CBC/Radio-Canada is not sufficiently prepared to manage cyber threats that have the potential to significantly disrupt operations (capacity to be on air and availability of our digital services) and/or damage our brand.	Monitor and assess network security and system vulnerabilities. Implement enhanced Information Security rules, guidelines and procedures and increase staff awareness and training on Information Security topics. Review and augment, as necessary, the Crisis Management Response Plan for Information Security incidents.	Continue and refine identified strategies.

2015 federal election night coverage with Peter Mansbridge on CBC

BOARD AND MANAGEMENT STRUCTURE

BOARD OF DIRECTORS

Rémi Racine [2, 3, 4, 5, 6]
Chairman of the Board
Montréal, QC

Hubert T. Lacroix [2]
President and CEO
Montréal, QC

Edward W. Boyd [2, 3, 4, 5, 6]
Toronto, ON

Sonja Chong [1, 2]
Toronto, ON

Rob Jeffery [1, 2, 6]
Halifax, NS

Marni Larkin [2, 3, 5, 6]
Winnpeg, MB

Terrence A. Leier, Q.C. [2, 3]
Regina, SK

Norman May, Q.C. [2, 4]
Toronto, ON

Maureen McCaw [1, 2]
Edmonton, AB

Marlie Oden [2, 3, 4, 5, 6]
Vancouver, BC

[1] Member of the Audit Committee
[2] Member of the Broadcasting Committees
[3] Member of the Infrastructure Committee
[4] Member of the Strategic Planning Committee
[5] Member of the HR and Governance Committee
[6] Member of the Communications and Stakeholder Relations Committee

SENIOR EXECUTIVE TEAM

President and CEO
Hubert T. Lacroix

Vice-President, Legal Services, General Counsel and Corporate Secretary
Sylvie Gadoury

Executive Vice-President, Media Technology and Infrastructure Services
Steven Guiton

Executive Vice-President, French Services
Louis Lalande

Executive Vice-President, English Services
Heather Conway

Vice-President, People and Culture
Josée Girard

Vice-President, Strategy and Public Affairs
Alex Johnston

Executive Vice-President and Chief Financial Officer
Judith Purves

YEAR IN REVIEW

ACCESS TO INFORMATION AND PROACTIVE DISCLOSURE

During 2015-2016 CBC/Radio-Canada answered all *Access to Information Act* (ATI) requests on time except for three. The downward trend in ATI-related complaints received by the Corporation continued during 2015-2016, with only 27 such complaints being received. This is the lowest number of complaints received by the Corporation since becoming subject to the *Access to Information Act* in 2007.

2015-2016 *Access to Information Act* requests:

108 formal requests answered (10,336 pages released)
26 informal requests answered (6,357 pages released)
17 consultations
3,048 pages of records and Board of Directors meeting minutes proactively released

For a total of 20,362 pages

CBC/Radio-Canada also proactively posts records released in answer to ATI requests that are of general interest to Canadians. During 2015-2016, more than 7,500 pages of records released in answer to 59 such ATI requests were posted on the Corporation's website.

In December 2015, CBC/Radio-Canada received an 'A' rating from the Information Commissioner of Canada for its 2013-2014 performance. This is the third 'A' the Corporation has received in a row from the Commissioner, and reflects the Corporation's continued commitment to fulfilling its responsibilities under the *Access to Information Act*.

ANNUAL PUBLIC MEETING

The public broadcaster's 2015 Annual Public Meeting (APM) took place at the University of Winnipeg in September 2015. This year's theme was "Invite. Ignite. Inspire.", and included a conversation with four young Winnipeggers who are raising the bar on engagement within their communities. This year, our approach was to support our strategy of enhancing the public broadcaster as Canada's public space by using the strategic pillar of "Community" as the fifth platform. We offered our APM as a platform to engage with the community and make it shine across the country. Approximately 675 people participated online and in person.

CODE OF CONDUCT

CBC/Radio-Canada employees at all levels are expected to adhere to the Code of Conduct and policies governing their behaviour in such areas as respect for democracy, respect for people, integrity, stewardship and excellence. Our Code of Conduct and human resources policies can be viewed on our corporate website.

JOURNALISTIC STANDARDS AND PRACTICES

CBC/Radio-Canada has an extensive code of Journalistic Standards and Practices and editorial control mechanisms to guide employees and to ensure that our programming remains balanced and accurate, particularly in today's social media environment. You can view CBC/Radio-Canada's Journalistic Standards and Practices on our corporate website.

OMBUDSMEN

Public complaints about news and current affairs programming that are not resolved at the program level to the satisfaction of the complainants are dealt with by the Corporation's two Ombudsmen. The Ombudsmen are completely independent of CBC/Radio-Canada programming staff and programming management, and report directly to the President and CEO and, through the President and CEO, to the Board of Directors. The role of the Ombudsmen is pivotal in strengthening the national public broadcaster's accountability and transparency to Canadians.

2015-2016 complaints, expressions of concerns and other communications to the Ombudsmen:

4,169 handled (▼ 554 compared to last year)
1,387 concerned French Services (1,038 within mandate)
2,782 concerned English Services (1,859 within mandate)

Communications not directly related to our news and current affairs programming were forwarded to the programming departments concerned.

In January 2016, Guy Gendron was appointed as CBC/Radio-Canada's French Services ombudsman, replacing Pierre Tourangeau effective March 8, 2016.

The Ombudsmen can be reached as follows:

The Ombudsman for English Services, CBC/Radio-Canada, P.O. Box 500, Station A, Toronto ON M5W 1E6, (ombudsman@cbc.ca).
Bureau de l'ombudsman pour les Services français, CBC/Radio-Canada, C.P. 6000, Montréal QC H3C 3A8 (ombudsman@radio-canada.ca).

COMPLIANCE WITH THE *CANADIAN ENVIRONMENTAL ASSESSMENT ACT*

CBC/Radio-Canada uses a risk-based approach to facilitate compliance with Sections 67-69 of the *Canadian Environmental Assessment Act, 2012*. As part of the established process, a project manager must complete a checklist for all physical activities prior to the initiation of the project. The checklist details the scope and description of the project and is our formal tool to ensure the project examines any potential adverse environmental impacts, including but not limited to, asbestos, halocarbons, mould, fuel storage tanks, water or air quality, etc. The checklist also allows us to describe any appropriate action needed to minimize any effects identified.

As per the process outlined above, no project completed in the 2015-2016 fiscal year was determined to result in a significant adverse environmental effect.

It should be noted that CBC/Radio-Canada considers a physical activity as something that goes beyond normal maintenance, such as removing a wall, replacing equipment or excavating a parking lot. For the purposes of this approach, painting walls or maintaining equipment is considered maintenance work.

DIRECTOR CHANGES

As noted in last year's annual report, Rob Jeffery was appointed to the Board of Directors for a five-year term on April 30, 2015. Effective June 1, 2015, Edward W. Boyd was renewed for a second five-year term. On June 18, 2015, Norman May was appointed to the Board of Directors for a five-year term.

Pierre Gingras resigned from the Board of Directors effective October 1, 2015. On April 17, 2016, Brian Mitchell resigned from the Board of Directors following eight years of service. We thank them for their contribution to the public broadcaster.

DIRECTOR COMPENSATION

The Chair of the Board and the President and CEO are compensated in accordance with the terms of the Order-in-Council appointing them. The President and CEO receives an annual salary, while the Chair of the Board receives an annual retainer (from $14,500 to $17,100) and a per diem fee (from $565 to $665) for meetings, travel time and special executive, analytical or representational responsibilities.

The remuneration scheme for directors (other than the CEO and the Chair), established by a bylaw approved by the Minister of Canadian Heritage, can be summarized as follows:

Meetings		Board of Directors	Audit Committee	Other Committees
Regular Meetings	Attendance	For the first 6 regular meeting days: $2,000/day	For the first 6 regular meeting days: $1,300/day for members $1,550 for the Chair	For the first 4 regular meeting days: $1,000/day for members $1,250 for the Chair
		Thereafter: $625/day	Thereafter: $625/day	Thereafter: $625/day
	Participation by telephone	$625/day or $312.50/half-day	$250/day	$250/day
Conference Call Meetings		$250/day	$250/day	$250/day

Directors are entitled to receive only one meeting fee for each day (24 hours) even if they attend more than one meeting during that period.

Compensation data for CBC/Radio-Canada's Directors is summarized in Note 26 to the annual consolidated audited financial statements.

BOARD OF DIRECTORS ATTENDANCE

2015-2016 Board Meetings

BOARD MEMBERS	BOARD		AUDIT COMMITTEE		BROADCASTING COMMITTEES	INFRASTRUCTURE COMMITTEE			STRATEGIC PLANNING COMMITTEE	HR & GOV		COMM & STAKEHOLDER	
In person	6		3		2	5				6		2	
Video conference			1			1			1			2	
Conference call	4					1				2			
Rémi Racine	6/6	3/4			2/2	5/5	1/1	1/1	1/1	4/4	2/2	2/2	2/2
Hubert T. Lacroix	6/6	4/4			2/2								
Edward W. Boyd	6/6	4/4			2/2	5/5	1/1	1/1	1/1	6/6	2/2	1/1	1/1
Sonja Chong	6/6	4/4	3/3	1/1	2/2								
Pierre Gingras[1]	3/3	3/3	1/1	1/1	1/1								
Robert Jeffery[2]	6/6	3/3	3/3	1/1	2/2				1/1				
Marni Larkin	5/6	4/4			2/2	4/5	1/1	1/1		5/6	2/2	2/2	2/2
Terrence Leier	6/6	4/4			2/2	4/4	1/1						
Norman May[3]	2/4	2/2	1/2		0/1				1/1				
Maureen McCaw	5/6	3/4	3/3	1/1	2/2								
Brian Mitchell	5/6	4/4	3/3	1/1	2/2								
Marlie Oden	6/6	4/4			2/2	4/4		1/1	1/1	6/6	2/2	2/2	2/2

[1] P. Gingras resigned September 30, 2015.

[2] R. Jeffery was appointed April 30, 2015.

[3] N. May was appointed June 18, 2015.

FINANCIAL REPORTING DISCLOSURE

FUTURE ACCOUNTING STANDARDS

Refer to Note 3 of the consolidated financial statements for information pertaining to accounting changes effective during 2015-2016 and for information on issued accounting pronouncements that will be effective in future years.

KEY ACCOUNTING ESTIMATES AND CRITICAL JUDGMENTS

Discussion and analysis of our financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with IFRS. Our key significant accounting estimates and critical judgments are disclosed throughout the notes to our annual financial statements.

TRANSACTIONS WITH RELATED PARTIES

Investments in associate

There was no significant change to our equity interest in SiriusXM Canada Holdings Inc. (SiriusXM) during the year.

Transactions with defined benefit pension plans

We made employer contributions to defined benefit plans as discussed in Note 26. We also provided management and administrative services to our defined benefit pension plans.

FINANCIAL REVIEW

INTERNAL CONTROLS

The Corporation has an internal control program based on the 2013 Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework, which requires periodic reviews of key controls over financial reporting. This program continues to evolve towards industry best practices, with an aim to maintain and strengthen policies and procedures that ensure the reliability of financial information and the safeguarding of assets.

A dedicated internal control team reviews and evaluates key internal controls over financial reporting on an ongoing basis. This program is supported by the Corporation's internal auditors, who conduct audits and reviews (some of which relate to financial reporting and operations) identified using a risk-based approach and agreed upon through discussions with the Corporation and its Audit Committee.

In 2015-2016, the Corporation assessed the design and operating effectiveness of certain key internal controls over financial reporting. The assessment did not identify any material weaknesses in the operating effectiveness of the internal controls, but identified some opportunities for improvements for which management has developed an action plan, many elements of which have already been implemented. The Corporation will continue to address opportunities for improvement in the coming year.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements and all other information presented in this Annual Report are the responsibility of management and have been reviewed and approved by the Board of Directors of the Corporation. These consolidated financial statements, which include amounts based on management's best estimates as determined through experience and judgment, have been properly prepared within reasonable limits of materiality and are in accordance with International Financial Reporting Standards.

Management of the Corporation maintains books of account, records, financial and management controls, and information systems, which are designed to provide reliable and accurate financial information on a timely basis. The controls provide reasonable assurance that assets are safeguarded, that resources are managed economically and efficiently in the attainment of corporate objectives, that the operations of the Corporation are carried out effectively, and that transactions are in accordance with the applicable provisions of Part X of the *Financial Administration Act* and regulations, Part III of the *Broadcasting Act* and the bylaws of the Corporation.

The Corporation's Internal Auditor has the responsibility for assessing the Corporation's systems, procedures and practices. The Auditor General of Canada conducts an independent audit of the annual consolidated financial statements and reports on his audit to the Minister of Canadian Heritage.

The Board of Directors' Audit Committee, which consists of five members, none of whom is an officer of the Corporation, reviews and advises the Board on the consolidated financial statements and the Auditor General's report thereto. The Audit Committee oversees the activities of Internal Audit and meets with management, the internal auditor and the Auditor General on a regular basis to discuss the financial reporting process, as well as auditing, accounting and reporting issues.

Hubert T. Lacroix,

President and Chief Executive Officer

Judith Purves,

Executive Vice-President and Chief Financial Officer

Ottawa, Canada

June 22, 2016

Auditor General of Canada
Vérificateur général du Canada

To the Minister of Canadian Heritage

Report on the Consolidated Financial Statements

I have audited the accompanying consolidated financial statements of the Canadian Broadcasting Corporation, which comprise the consolidated statement of financial position as at 31 March 2016, and the consolidated statement of income (loss), consolidated statement of comprehensive income (loss), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these consolidated financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Canadian Broadcasting Corporation as at 31 March 2016, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on Other Legal and Regulatory Requirements

As required by the *Financial Administration Act*, I report that, in my opinion, the accounting principles in International Financial Reporting Standards have been applied on a basis consistent with that of the preceding year.

Further, in my opinion, the transactions of the Canadian Broadcasting Corporation and its wholly-owned subsidiary that have come to my notice during my audit of the consolidated financial statements have, in all significant respects, been in accordance with the applicable provisions of Part X of the *Financial Administration Act* and regulations, Part III of the *Broadcasting Act* and the by-laws of the Canadian Broadcasting Corporation and its wholly-owned subsidiary.

Riowen Abgrall

Riowen Yves Abgrall, CPA, CA
Principal
for the Auditor General of Canada

22 June 2016
Ottawa, Canada

CONSOLIDATED FINANCIAL STATEMENTS

2015-2016 ANNUAL REPORT

TABLE OF CONTENTS – CONSOLIDATED FINANCIAL STATEMENTS

Pages

CONSOLIDATED STATEMENT OF FINANCIAL POSITION 50
CONSOLIDATED STATEMENT OF INCOME (LOSS) 51
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (LOSS) 52
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 53
CONSOLIDATED STATEMENT OF CASH FLOWS 54
NOTES TO THE CONSOLIDATED STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016 55
1. GENERAL INFORMATION 55
2. SIGNIFICANT ACCOUNTING POLICIES 55
3. NEW AND FUTURE CHANGES IN ACCOUNTING POLICIES 59
4. CASH 60
5. TRADE AND OTHER RECEIVABLES 60
6. PROGRAMMING 61
7. PROMISSORY NOTES RECEIVABLE 63
8. INVESTMENT IN FINANCE LEASE 63
9. PROPERTY AND EQUIPMENT 64
10. INTANGIBLE ASSETS 67
11. ASSETS UNDER FINANCE LEASES 68
12. INVESTMENT IN ASSOCIATE 69
13. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES 70
14. PROVISIONS 71
15. PENSION PLANS AND EMPLOYEE-RELATED LIABILITIES 72
16. BONDS PAYABLE 78
17. OBLIGATIONS UNDER FINANCE LEASES 79
18. NOTES PAYABLE 79
19. DEFERRED REVENUE 80
20. REVENUE 80
21. FINANCE COSTS 82
22. GOVERNMENT FUNDING 82
23. INCOME TAXES 83
24. MOVEMENTS IN WORKING CAPITAL 84
25. FINANCIAL INSTRUMENTS 85
26. RELATED PARTIES 89
27. COMMITMENTS 91
28. SUBSEQUENT EVENTS 92

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	NOTE	March 31, 2016	March 31, 2015
ASSETS			
Current			
Cash	4	156,465	214,884
Trade and other receivables	5	136,370	151,444
Programming	6	237,827	170,177
Merchandising inventory		258	274
Prepaid expenses		38,568	26,859
Promissory notes receivable	7	2,651	2,474
Investment in finance lease	8	2,960	2,759
Derivative financial instruments	25	151	269
Assets classified as held for sale	9	3,483	1,627
		578,733	570,767
Non-current			
Property and equipment	9	885,069	902,752
Intangible assets	10	28,757	25,324
Assets under finance leases	11	20,596	20,389
Pension plan asset	15	145,406	190,342
Programming	6	107,629	140,113
Promissory notes receivable	7	40,877	43,507
Investment in finance lease	8	44,419	47,379
Deferred charges		17,274	17,252
Investment in associate	12	2,496	-
		1,292,523	1,387,058
TOTAL ASSETS		1,871,256	1,957,825
LIABILITIES			
Current			
Accounts payable and accrued liabilities	13	112,512	87,534
Provisions	14	24,556	40,962
Pension plans and employee-related liabilities	15	121,561	154,876
Programming liability	6	15,151	15,151
Bonds payable	16	22,269	21,663
Obligations under finance leases	17	11,476	10,232
Notes payable	18	8,523	8,319
Deferred revenue	19	25,729	30,105
Derivative financial instruments	25	159	-
		341,936	368,842
Non-current			
Deferred revenue	19	32,851	39,154
Pension plans and employee-related liabilities	15	239,651	247,245
Programming liability	6	33,184	33,446
Bonds payable	16	236,851	251,237
Obligations under finance leases	17	16,581	20,671
Notes payable	18	93,784	100,513
Deferred capital funding	22	531,295	520,200
		1,184,197	1,212,466
Equity			
Retained earnings		344,628	375,976
Total equity attributable to the Corporation		344,628	375,976
Non-controlling interests	2	495	541
TOTAL EQUITY		345,123	376,517
TOTAL LIABILITIES AND EQUITY		1,871,256	1,957,825

Commitments (NOTE 27)

The accompanying notes form an integral part of the consolidated financial statements.

APPROVED BY THE BOARD OF DIRECTORS:

DIRECTOR

DIRECTOR

CONSOLIDATED STATEMENT OF INCOME (LOSS)

	NOTE	For the year ended March 31	
		2016	2015
REVENUE	20		
Advertising		253,220	333,420
Subscriber fees		134,541	132,814
Other income		130,390	123,067
Financing income		10,235	10,834
		528,386	600,135
EXPENSES			
Television, radio and digital services costs		1,517,483	1,622,834
Transmission, distribution and collection costs		70,489	71,758
Corporate management		10,061	9,823
Payments to private stations		1,380	2,386
Finance costs	21	28,132	30,574
Share of results in associate	12	(7,980)	(15,083)
		1,619,565	1,722,292
Operating loss before Government funding and non-operating items		(1,091,179)	(1,122,157)
GOVERNMENT FUNDING	22		
Parliamentary appropriation for operating expenditures		928,332	929,284
Parliamentary appropriation for working capital		4,000	4,000
Amortization of deferred capital funding		94,597	102,812
		1,026,929	1,036,096
Results before non-operating items		(64,250)	(86,061)
NON-OPERATING ITEMS			
Gain on sale of shares	12	–	33,548
Gain on disposal of property and equipment and intangibles	9, 10	257	5,122
		257	38,670
Net results for the year		(63,993)	(47,391)
Net results attributable to:			
The Corporation		(64,093)	(47,598)
Non-controlling interests	2	100	207
		(63,993)	(47,391)

The accompanying notes form an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (LOSS)

	NOTE	For the year ended March 31	
		2016	2015
COMPREHENSIVE INCOME (LOSS)			
Net results for the year		(63,993)	(47,391)
Other comprehensive income (loss) - not subsequently reclassified to net results			
Remeasurements of defined benefit plans	*15*	32,745	187,457
Total comprehensive income (loss) for the year		(31,248)	140,066
Total comprehensive income (loss) attributable to:			
The Corporation		(31,348)	139,859
Non-controlling interests	*2*	100	207
		(31,248)	140,066

The accompanying notes form an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	NOTE	Retained earnings and total equity attributable to the Corporation	Non-controlling interests	Total
Balance as at March 31, 2015		375,976	541	376,517
Changes in year				
Net results for the year		(64,093)	100	(63,993)
Remeasurements of defined benefit plans	*15*	32,745	-	32,745
Total comprehensive income (loss) for the year		(31,348)	100	(31,248)
Distributions to non-controlling interests	*2*	-	(146)	(146)
Balance as at March 31, 2016		344,628	495	345,123

		Retained earnings and total equity attributable to the Corporation	Non-controlling interests	Total
Balance as at March 31, 2014		236,117	468	236,585
Changes in the year				
Net results for the year		(47,598)	207	(47,391)
Remeasurements of defined benefit plans	*15*	187,457	-	187,457
Total comprehensive income for the year		139,859	207	140,066
Distributions to non-controlling interests	*2*	-	(175)	(175)
Acquisition of non-controlling interest	*2*	-	41	41
Balance as at March 31, 2015		375,976	541	376,517

The accompanying notes form an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

	NOTE	For the year ended March 31	
		2016	2015
CASH FLOWS (USED IN) FROM			
OPERATING ACTIVITIES			
Net results for the year		(63,993)	(47,391)
Adjustments for:			
Gain on disposal of property and equipment and intangibles	9, 10	(257)	(5,122)
Gain on sale of shares	12	–	(33,548)
Financing income		(10,235)	(10,834)
Finance costs	21	28,132	30,574
Change in fair value of financial instruments designated as at fair value through profit and loss	25	277	412
Depreciation of property and equipment	9	102,242	110,650
Amortization of intangible assets	10	6,384	6,499
Depreciation of assets under finance leases	11	7,614	8,049
Share of results in associate	12	(7,980)	(15,083)
Change in deferred charges		(22)	(7,220)
Change in programming asset (non-current)	6	34,402	(126,362)
Change in programming liability (non-current)	6	(1,306)	32,485
Amortization of deferred capital funding	22	(94,597)	(102,812)
Change in deferred revenue (non-current)	19	(7,253)	19,391
Change in pension plan asset	15	44,936	(164,700)
Change in pension plans and employee-related liabilities (current)	15	943	(4,727)
Change in pension plans and employee-related liabilities (non-current)	15	25,152	210,489
Acquisition of non-controlling interest	12	–	41
Accretion of promissory notes receivable	7	(21)	(20)
Movements in working capital	24	(94,403)	215,690
		(29,985)	116,461
FINANCING ACTIVITIES			
Repayment of obligations under finance leases	17	(10,680)	(14,505)
Repayment of bonds	16	(13,361)	(12,409)
Repayment of notes	18	(6,504)	(6,209)
Distributions to non-controlling interests	2	(146)	(175)
Interest paid		(26,564)	(28,467)
		(57,255)	(61,765)
INVESTING ACTIVITIES			
Parliamentary appropriations for capital funding	22	105,692	104,740
Additions to property and equipment	9	(92,638)	(68,263)
Additions to intangible assets	10	(15,153)	(10,247)
Investment in subsidiary	12	–	(1,875)
Net proceeds from disposal of property and equipment	9	11,817	9,642
Net proceeds from disposal of shares	12	–	33,548
Collection of promissory notes receivable	7	2,446	2,280
Collection of finance leases receivable	8	2,593	2,417
Dividends received	12	5,484	16,938
Interest received		8,580	9,034
		28,821	98,214
Change in cash		(58,419)	152,910
Cash, beginning of the year		214,884	61,974
Cash, end of the year		156,465	214,884

The accompanying notes form an integral part of the consolidated financial statements.

NOTES TO THE CONSOLIDATED STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

1. GENERAL INFORMATION

CBC/Radio-Canada (the Corporation) was first established by the 1936 *Broadcasting Act*. The Corporation, a federal Crown Corporation domiciled in Canada, is an agent of Her Majesty and all assets and liabilities are those of the Government. Its registered office is located at 181 Queen Street, Ottawa ON K1P 1K9. The Corporation is accountable to Parliament through the Minister of Canadian Heritage and in accordance with section 85(1.1) of the *Financial Administration Act*, the Corporation is exempt from certain sections from Divisions I to IV of Part X of the *Act*.

As the national public broadcaster, the Corporation provides radio, television and digital services in both official languages, delivering predominantly and distinctly Canadian programming to reflect Canada and its regions to national and regional audiences.

These consolidated financial statements have been authorized for issuance by the Board of Directors on June 22, 2016.

2. SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

These consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and as adopted by the Accounting Standards Board (AcSB). The Corporation has consistently applied the same accounting policies throughout all periods presented, as if these policies had always been in effect. All amounts are in Canadian dollars, which is our functional currency, and rounded to the nearest thousand, unless otherwise noted. These consolidated financial statements were prepared on a historical cost basis, except for pension plans and post-employment benefits which are measured on an actuarial basis, as described in the notes.

B. BASIS OF PREPARATION

This section includes certain of the Corporation's accounting policies that relate to these consolidated statements as a whole, as well as estimates and judgments it has made and how they affect the amounts reported in the consolidated financial statements. Management developed estimates and made critical judgments in the process of applying the Corporation's policies. These critical accounting estimates and judgments could have a significant effect on the amounts reported in these consolidated financial statements since materially different amounts could be reported under different conditions or using different assumptions. Where an accounting policy is applicable to a specific note to the financial statements, the policy is described within that note.

i) PRINCIPLES OF CONSOLIDATION

Accounting Policies	Critical Accounting Estimates and Judgments
The Corporation consolidates the financial statements of all its subsidiaries (ARTV and Documentary Channel `*documentary*') and structured entities (the Broadcast Centre Trust and the CBC Monetization Trust) from the date it gained control until the date its control ceases. Subsidiaries and structured entities are entities we control. Control is achieved by having each of: - Power over the investee through giving the Corporation the right to direct the relevant activities of the investee; - Exposure, or rights, to variable returns from involvement with the investee; and - The ability for the Corporation to exercise its power over the investee to affect the returns of the investee. The accounting policies of the subsidiaries and structured entities are consistent with those of the Corporation. All intra-company transactions, balances, income and expenses are eliminated in full on consolidation. Changes in the Corporation's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions.	The Corporation consolidates the CBC Monetization Trust and the Broadcast Centre Trust, as it judges that it controls these investees, as defined in IFRS 10 *Consolidated Financial Statements*.

Information about the Corporation's subsidiaries and structured entities

Subsidiaries

The Corporation's two Canadian subsidiaries are:

	Ownership	Principal activity	How the Corporation has achieved control
documentary	2016: 82% / 2015: 82%	Specialty service broadcasting documentaries	Majority interest and active participation on *documentary*'s Board of Directors and Board sub-committees.
ARTV	2015 and 2016: 100%	French-language arts and entertainment specialty channel	Wholly-owned subsidiary – full control over ARTV's relevant activities.

Since *documentary*'s fiscal year end is August 31, additional financial statements corresponding to the Corporation's reporting period are prepared for consolidation purposes.

There are no significant restrictions imposed on the Corporation's ability to access or use assets and settle the liabilities of *documentary* and ARTV. Specifically, there are no significant restrictions imposed on the Corporation or its subsidiaries relating to their ability to transfer funds to their investors.

Structured entities

The Corporation has two structured entities:

The Broadcast Centre Trust (The "BCT") - In order to finance the construction of the Canadian Broadcasting Centre (the building), the BCT issued $400 million of bonds on January 30, 1997 maturing in May 2027, which are guaranteed by the rent payments for the premises occupied by the Corporation. The rent payable by the Corporation to the BCT covers all interest and principal on the bonds, all other payments on the bonds and all operating expenses and liabilities of the BCT. The BCT is:

- A lessee under a long-term lease with the Corporation for the land on which the building is located in Toronto and for which a one dollar rent was paid on October 1, 1988; and
- A lessor under a long-term sub-lease with the Corporation for the building.

The Corporation also guarantees, through its rent payments to the BCT, the bonds payable. See Note 16 for further details.

	Nature of trust	How the Corporation has achieved control	Other information
The Broadcast Centre Trust (the "BCT")	Charitable trust	Entity designed to conduct a narrow well-defined activity of leasing on behalf of the CBC, with the Corporation having the ultimate decision making powers over relevant activities	March 31 year-end

The CBC Monetization Trust - In 2003, the Corporation sold two parcels of land to Ontrea Inc., a wholly owned subsidiary of Ontario Teachers' Pension Plan Board, for the consideration of two promissory notes receivable. The CBC Monetization Trust was created in 2009 with the purpose of acquiring the Corporation's interest in the promissory notes receivable.

Through the CBC Monetization Trust, the Corporation has two promissory notes receivable and an investment in finance lease relating to the sale and rental of parcels of land. These receivables are pledged as collateral for their total carrying value to the Corporation's borrowings through notes payable. The Corporation provided an absolute and unconditional guarantee of the full and timely payments of receivables by the ultimate debtors until 2027. See Notes 7 and 8 for further information.

	Nature of trust	How the Corporation has achieved control	Other information
CBC Monetization Trust (CBCMT)	Charitable trust	CBC bears the majority of the risks associated with the collection of the Trust's receivables through the guarantee it has provided. Entity designed to conduct a narrow well-defined activity to monetizing long-term receivables as part of the Recovery Plan implemented to manage budgetary shortfalls in 2009-2010. Predefined contractual arrangement confers CBC the majority of decision making powers over relevant activities that expose the Corporation to variable returns.	December 31 year-end Additional financial statements prepared for consolidation purposes.

The Corporation does not have interests in joint arrangements or unconsolidated structured entities.

During the current year, the Corporation has not provided, and has no current intention to provide, any further financial and other support to its consolidated structured entities.

II) Operating expenses

Television, Radio and Digital Services Costs

Television, radio and digital services costs are expensed when incurred and include all costs related to the production of programs, including direct out-of-pocket expenditures, departmental and administration expenses, the cost of activities related to technical labour and facilities. A portion of the expenses that are attributable to the cost of generating programming, such as services provided by Human Resources, Finance and Administration, Building Management and other shared services, as well as a portion of depreciation and amortization are also included in the related expenses. Television, radio and digital services costs also include programming-related activities, such as Marketing and Sales, Merchandising and Communications.

Transmission, Distribution and Collection Costs

Transmission, distribution and collection costs are expensed when incurred and include all costs related to the broadcasting of the Corporation's programs, including direct out-of-pocket expenditures, departmental and administration expenses, and the cost of activities related to technical labour. A portion of the expenses that are attributable to the cost of transmission and distribution, such as services provided by Human Resources, Finance and Administration, Building Management and other Shared Services, as well as a portion of depreciation and amortization are included in the related expenses.

III) Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. For financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs. The Corporation's fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value.

The three levels of the fair value hierarchy are:

Level 1 – Fair value measurement derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Fair value measurements derived from inputs that are directly (i.e. as prices) or indirectly (i.e. derived from prices) observable other than Level 1 inputs.

Level 3 – Fair value measurements derived from valuation techniques that require inputs which are both based on unobservable market data and significant to the overall fair value measurement.

IV) Asset impairment

The carrying amounts of the Corporation's property and equipment, intangible assets, assets under finance leases and programming assets are reviewed at each reporting date at the cash-generating unit ("CGU") level to determine whether there is any indication of impairment. For the purpose of impairment testing, a CGU is the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets. Assets are tested at the CGU level when they cannot be tested individually.

Assets that are not yet available for use are tested for impairment at every reporting period regardless of whether an impairment indicator exists.

Under the Corporation's business model, no assets are considered to generate cash flows that are largely independent of the cash flows of other assets and liabilities. Instead, all assets interact to create the "broadcast network production operation" which includes real estate, equipment and intangible assets. These operations are funded by overall parliamentary appropriations, national and local advertising and other commercial revenue. Overall levels of cash flow reflect public policy requirements and decisions. They reflect budgetary funding provided to the Corporation in its entirety. If there are indicators of impairment present, the asset's recoverable amount is estimated. An impairment loss is recognized if the carrying amount of an asset exceeds its estimated recoverable amount.

V) Deferred Charges

Deferred charges are primarily composed of services paid in advance that will be received in a period that exceeds twelve months after the reporting period.

VI) Regulatory Licences

The Corporation holds licences, granted by the Canadian Radio-television and Telecommunications Commission (CRTC), for all its conventional television, radio and specialty services. The Corporation is required to meet specific regulatory obligations in return for the privilege of holding a broadcasting licence. The Corporation has elected to record this non-monetary grant at its nominal value of nil.

VII) Additional Significant Accounting Policies

To ease the reading of these consolidated financial statements, additional significant accounting policies, estimates and judgments (with the exception of those identified in Note 2) are disclosed throughout the notes, with the related financial disclosures. See table below for references purposes:

Accounting area	Page	Accounting policies	Accounting estimates and judgments	Accounting area	Page	Accounting policies	Accounting estimates and judgments
Trade and Other Receivables (note 5)	60	✓	✓	Deferred Revenue (note 19)	80	✓	✓
Programming (note 6)	61	✓	✓	Revenue (note 20)	80	✓	
Property and Equipment (note 9)	64	✓	✓	Finance Costs (note 21)	82	✓	
Intangible Assets (note 10)	67	✓	✓	Government Funding (note 22)	82	✓	✓
Assets under Finance Leases (note 11)	68	✓	✓	Income Taxes (note 23)	83	✓	✓
Investment in Associate (note 12)	69	✓	✓	Financial Instruments (note 25)	85	✓	
Accounts payable and accrued liabilities (note 13)	70	✓		Related Parties (note 26)	89	✓	
Provisions (note 14)	71	✓	✓	Commitments (note 27)	91	✓	✓
Pension and Employee Related Liabilities (note 15)	72	✓	✓				

3. NEW AND FUTURE CHANGES IN ACCOUNTING POLICIES

A. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Corporation did not adopt any new or revised accounting pronouncements that had a material impact on its March 31, 2016 year-end consolidated financial statements.

B. FUTURE ACCOUNTING CHANGES

The IASB has issued the following new standards and amendments to existing standards that were not yet effective and not applied as at March 31, 2016, which could potentially impact the consolidated financial statements of the Corporation. The Corporation does not anticipate early adoption of these standards at this time.

STANDARD	DESCRIPTION	IMPACT	EFFECTIVE DATE
IFRS 9 *Financial Instruments*	Issued to replace IAS 39 *Financial instruments: recognition and measurement* and all previous versions of IFRS 9. Classification, measurement and disclosure of financial instruments based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of its financial assets and liabilities. Includes a single, forward-looking 'expected loss' impairment model and a substantially-reformed approach to hedge accounting.	The Corporation is reviewing the standard to determine the potential impact, if any.	January 1, 2018, applied retrospectively with certain exceptions.
IFRS 15 *Revenue from Contracts with Customers*	Issued to replace IAS 18 *Revenues* and IAS 11 *Construction contracts* and the related Interpretations when it becomes effective. It provides guidance on the recognition of revenue from contracts with customers, including multiple-element arrangements and transactions not previously addressed comprehensively, and enhanced disclosures about revenue. Revenue to be recognized when an entity transfers goods or services to a customer based upon the amount of consideration to which the entity expects to be entitled to from the customer. Goods or services transferred when the customer has control of them. Extensive new qualitative and quantitative disclosures designed to help the users of financial statements understand the nature, amount, timing and uncertainty of revenue.	The Corporation is reviewing the standard as amended in April 2016 by the IASB to determine the potential impact.	January 1, 2018, applied retrospectively, with certain practical expedients available.
IFRS 16 *Leases*	Supersedes IAS 17 *Leases* and related interpretations. Eliminates the classification of leases as either operating or finance leases for a lessee as all leases are treated in a similar way to finance leases when applying IAS 17. Expected increase in leased assets and financial liabilities. Lessor accounting however remains largely unchanged and the distinction between operating and finance leases is retained. IFRS 16 has not yet been adopted by the AcSB, but is expected to be adopted shortly.	The Corporation is reviewing the standard to determine the potential impact.	January 1, 2019, applied retrospectively, with certain practical expedients available.
Amendments to IAS 1 *Presentation of financial statements - Disclosure initiative*	Issued to improve the effectiveness of presentation and disclosure in financial statements, with the objective of reducing immaterial note disclosures.	The Corporation has reviewed the standard and has determined the impact would be minimal given the presentation changes made to this year's annual consolidated financial statements.	January 1, 2016, applied prospectively.
Amendments to IAS 7 *Statement of Cash Flows*	Issued to require a reconciliation of the opening and closing financial position for each item for which cash flows have been, or would be, classified as financing activities, excluding equity items. Additional disclosures about matters that are relevant to understanding the entity's liquidity, such as restrictions that affect the decisions of an entity to use cash and cash equivalent balances.	The Corporation is reviewing the standard to determine the potential impact, if any.	January 1, 2017, applied prospectively.

4. CASH

	March 31, 2016	March 31, 2015
Cash on hand	577	682
Bank balances	155,888	214,202
	156,465	214,884

Interest revenue generated from bank balances and included in Financing income totaled $1.9 million for the year (2015 - $2.3 million).

5. TRADE AND OTHER RECEIVABLES

Trade and other receivables represent amounts the Corporation expects to collect from other parties. The Corporation's trade and other receivables are mainly derived from the sale of advertising airtime.

Accounting Policies	Critical Accounting Estimates and Judgments
Trade and other receivables are recognized initially at fair value and subsequently measured at amortized cost less an allowance for doubtful accounts. The Corporation recognizes an allowance for doubtful accounts for receivables where there is objective evidence of impairment. Objective evidence is determined in accordance with Note 25 – Impairment of financial assets. Before accepting new advertising customers, the Corporation reviews the credit application submitted by the customer. An external credit scoring agency may be used to assess the potential customer's credit quality and define credit limits by customer. Limits and scoring attributed to customers are reviewed at least once a year to determine whether adjustments are required. In addition, the Corporation monitors its customers throughout the year for any indications of deterioration in credit quality. When a trade receivable is uncollectible, it is written off against the allowance for doubtful accounts. Subsequent recoveries of amounts previously written off are credited to the consolidated statement of income (loss) in television, radio and digital services costs expenses.	Determining when there is reasonable expectation that the Corporation will not be able to collect some of the amounts due requires judgment.

Supporting information

	March 31, 2016	March 31, 2015
Trade receivables	123,121	140,999
Allowance for doubtful accounts	(2,058)	(2,683)
Other	15,307	13,128
	136,370	151,444

Trade receivables disclosed above include amounts (see paragraph A below) that are past due at the end of the reporting period for which the Corporation has not recognized an allowance for doubtful accounts because there has not been a significant change in credit quality and the amounts are still considered recoverable.

Consistent with others in the industry, the Corporation makes most of its conventional advertising sales through agencies. These agencies typically remit their payment over a period exceeding the Corporation's average credit term of 30 days. As such, a significant portion of the Corporation's trade receivables are past due but not impaired.

Since the Corporation is largely funded through parliamentary appropriations, it has determined that it is not subject to the concentration of credit risk typical of broadcasters who mostly rely on commercial revenue. The Corporation has no material concentration of credit risk with any single customer and mitigates the credit risk of advertising receivables by performing initial and ongoing credit evaluations of advertising customers.

The Corporation does not hold any collateral or other credit enhancements over these balances.

A. AGE OF TRADE RECEIVABLES THAT ARE PAST DUE BUT NOT IMPAIRED

	March 31, 2016	March 31, 2015
31 - 60 days	35,314	22,481
61 - 90 days	673	13,096
Over 90 days	13,874	16,724
Total	49,861	52,301

B. MOVEMENT IN ALLOWANCE FOR DOUBTFUL ACCOUNTS

	March 31, 2016	March 31, 2015
Opening balance	(2,683)	(3,719)
Amounts written off during the year as uncollectible	571	2,000
Impairment losses reversed	1,113	349
Net increase in allowance for new impairments	(1,059)	(1,313)
Balance, end of year	(2,058)	(2,683)

6. PROGRAMMING

Programming consists of internally produced television programs, externally produced television programs that require the Corporation's involvement during the production, and acquired license agreements for programming material.

Accounting Policies

Programming completed and in the process of production (excluding acquired license agreements) is recorded at cost less accumulated amortization and accumulated write offs, on an individual basis. Costs include materials and services, labour and other direct expenses applicable to programming.

Payments made under the terms of each acquired license agreement are recorded as either current or non-current programming. License agreements are recorded as current programming if the rights to broadcast start within the next twelve months and as non-current programming if the right to broadcast starts beyond twelve months. Non-current programming rights are transferred to current programming once they are expected to be broadcast within the next twelve months.

Programming costs are recognized in television, radio and digital services costs on the Consolidated Statement of Income (Loss), according to the expense recognition schedule described in this section, or when deemed unusable, or when sold.

The amortization of programming costs is subject to the following expense recognition schedule, which is based on intended use. The Corporation's intended use of programming is reviewed at each year-end. In determining intended use, the Corporation considers program contract terms, past audience experience, and future telecast plans.

Costs of programs that are not considered to be recoverable are written off and recorded in the Consolidated Statement of Income (loss) as television, radio and digital services costs.

Critical Accounting Estimates and Judgments

The Corporation is required to determine an appropriate amortization rate for each type of programming. Management's intended use for each program-type considers program contract terms, past audience experience and future telecast plans when determining the expense recognition schedule for programming.

There are a number of uncertainties inherent in estimating management's foreseeable use of its programming assets, particularly as they relate to assumptions regarding viewership patterns and consumption habits. Management periodically reviews amortization rates.

Changes in these assumptions could result in adjustments to amounts recognized in the Statement of Financial Position and Statement of Income (Loss).

The Corporation has estimated the value of non-monetary consideration provided to Rogers Communications Inc. (Rogers) for *Hockey Night in Canada* sublicensing over the remainder of the contract term. See Note 6.B. for more information.

Expense recognition schedule

For programs with multiple telecasts, management uses the following recognition basis:

Category	Description	Expense recognition schedule by telecast
Movies	All movie genres	CBC: 50% / 30% / 20% RC: 45% / 20% / 20% / 15%
Series	Includes: Dramatic series, comedy series and animated programs (excluding strips[1])	Dramatic series: CBC: 70% / 20% / 10% RC: 85% / 15% All other series: 70% / 30%
Factual	Factual, informal education and game shows (excluding strips[1])	70% / 30%
Documentaries	Includes all type of documentaries	CBC: 50% / 30% / 20% RC: 100%
Arts, Music and Variety	Includes: Arts, music and variety programs and sketch comedy programs (excluding strips[1])	70% / 30%
Youth	Youth and children drama programs	70% / 30%
	Other youth programs	34% / 33% / 33%
	Children - animated and pre-school programs	Evenly over each telecast up to a maximum of 5 telecasts
Programs telecast as strips[1]	With the intent to strip from 1st run	Evenly over each telecast up to a maximum of 5 telecasts
Programs telecast as strips[1]	With the intent to strip after 2nd run	50% / 30% / 20%

[1]Method of broadcasting consecutive episodes.

Expenses are recognized on a straight line basis over the broadcast right period for ICI ARTV and ICI Explora.

No changes in estimates were reflected in this fiscal year's expense recognition schedule.

Supporting information

A. PROGRAMMING BY CATEGORY

	March 31, 2016	March 31, 2015
Completed programs - externally produced	57,315	58,511
Completed programs - internally produced	3,761	3,407
Programs in process of production - externally produced	44,029	34,249
Programs in process of production - internally produced	19,495	5,479
Broadcast rights available for broadcast within the next twelve months	113,227	68,531
	237,827	170,177
Broadcast rights not available for broadcast within the next twelve months	107,629	140,113
	345,456	310,290

B. MOVEMENT IN PROGRAMMING

	March 31, 2016	March 31, 2015
Opening balance	310,290	223,714
Additions	990,842	1,070,776
Programs broadcast	(955,676)	(984,200)
Balance, end of year	345,456	310,290

The programming write-offs included in the Programs broadcast line in the above table for the year ended March 31, 2016, amount to $3.5 million (2015 – $5.0 million). Programming write-offs are mainly due to terminated projects, programs not telecast in the past two years, programming not suitable for telecast or pilots not progressing into a series.

During 2014-2015, the Corporation's agreement with Rogers Communications Inc. (Rogers) commenced for the continued airing of *Hockey Night in Canada* for Saturday night and playoff hockey. Under this arrangement, the Corporation has acquired the right to broadcast hockey in exchange for providing Rogers with facilities and production services, use of certain trademarks and with airtime to generate advertising revenue. The agreement is for five years, after an optional one-year extension was exercised at Rogers' discretion during the current year.

As no monetary amounts are to be exchanged, an estimate of the value of five year broadcast license acquired was calculated based on the fair value of assets given-up and has been recorded as Programming in the Corporation's consolidated financial statements. The fair value of facilities, production services and trademarks to be used by Rogers was determined using market rates. The fair value of airtime provided to Rogers was determined using the Corporation's advertising rate cards for the programs displaced as a result of airing hockey. An estimate of the corresponding costs associated with the provision of facilities and production services as well as deferred revenue was recorded in the liabilities of the Corporation's consolidated financial statements. The Corporation is recognizing these items in revenue and expenses over the five-year term of this agreement as games are aired and as related services are provided.

7. PROMISSORY NOTES RECEIVABLE

Through the CBC Monetization Trust, a structured entity, the Corporation has two promissory notes receivable relating to the sale of parcels of land. These notes, which mature in May 2027, bear a fixed annual interest rate of 7.15%, with payments made in arrear in equal blended monthly instalments.

The notes have a carrying value of $43.2 million (March 31, 2015 – $45.6 million) and are pledged as collateral for their total carrying value to the Corporation's borrowings through notes payable.

The Corporation provided an absolute and unconditional guarantee of the full and timely payment of receivables by the ultimate debtors until 2027.

The Corporation also holds a promissory note receivable from SiriusXM Canada Holdings Inc. that is non-interest bearing and is expected to be repaid within the next five years. The carrying amount at March 31, 2016, is $0.4 million (March 31, 2015 – $0.4 million).

Future minimum payments receivable under the term of the notes are as follows:

	March 31, 2016		March 31, 2015	
	Minimum payments receivable	Carrying amount	Minimum payments receivable	Carrying amount
Less than one year	5,567	2,651	5,567	2,474
Later than one year but not later than five years	22,673	13,046	22,673	12,179
More than five years	34,332	27,831	39,900	31,328
Less: unearned financing income	(19,044)	-	(22,159)	-
Total	43,528	43,528	45,981	45,981

Interest income included in current year's revenue and presented as financing income is $2.9 million (2015 – $3.1 million).

Carrying amount:

	March 31, 2016	March 31, 2015
Included in the Consolidated Statement of Financial Position as promissory notes receivable:		
Current	2,651	2,474
Non-current	40,877	43,507
	43,528	45,981

8. INVESTMENT IN FINANCE LEASE

The investment in finance lease, which is held by CBC Monetization Trust, relates to the rental of two parcels of land in Toronto that bear an implicit annual interest rate of 7.15% and with terms ending in May 2027. The lease receivables are pledged as collateral for their total carrying value to the Corporation's borrowings through the notes payable.

The Corporation provided an absolute and unconditional guarantee of the full payment and timely payments of the finance lease by the ultimate debtors until 2027.

	March 31, 2016		March 31, 2015	
	Minimum payments receivable	Present value of minimum payments receivable	Minimum payments receivable	Present value of minimum payments receivable
Less than one year	6,050	2,960	6,050	2,759
Later than one year but not later than five years	24,199	13,429	24,199	12,519
More than five years	39,911	30,990	45,961	34,860
Less: unearned financing income	(22,781)	-	(26,072)	-
Total	47,379	47,379	50,138	50,138

Interest income included in current year's revenue and presented as financing income, is $3.1 million (2015 – $3.2 million).

Present value of minimum lease payments receivable:

	March 31, 2016	March 31, 2015
Included in the Consolidated Statement of Financial Position as investment in finance lease:		
Current	2,960	2,759
Non-current	44,419	47,379
	47,379	50,138

9. PROPERTY AND EQUIPMENT

The majority of the Corporation's tangible assets are the buildings and technical equipment. These assets are depreciated over their estimated useful lives.

Accounting Policies

Recognition and measurement

Property and equipment are recorded at cost less accumulated depreciation. Cost includes expenditures that are directly attributable to the acquisition of the items. The cost of assets constructed by the Corporation includes material, direct labour and related overheads. Amounts included in uncompleted capital projects are transferred to the appropriate property and equipment classification upon completion.

Depreciation

Depreciation of property and equipment is calculated using the straight-line method based on rates based on the estimated useful life of the property and equipment, and begins when an asset becomes available for its intended use. Where major parts of an asset have useful lives different from the asset as a whole, they have been componentized and depreciated according to the major components to which they pertain. The cost of replacing a part of an item of property and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Corporation and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. Items of property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Leasehold improvements are capitalized and then depreciated over the shorter of the lease term and the asset's useful life.

Assets held for sale

The Corporation classifies an asset as held for sale if its carrying amount will be recovered principally through a sale rather than through continuing use. This condition is met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Derecognition

The Corporation derecognizes an item of property and equipment on disposal, or when no future economic benefits are expected from its use. The gain or loss arising from the disposal or retirement of an item of property and equipment is determined as the difference between the sale net proceeds and the carrying amount of the asset, and is recognized as a non-operating item in the Consolidated Statement of Income (Loss).

Critical Accounting Estimates and Judgments

The Corporation is required to estimate the expected useful lives of property and equipment. In determining the expected useful lives of these assets, the Corporation takes into account past experience, industry trends and internally-specific factors, such as changing technologies and expectations for the in-service period of these assets.

The appropriateness of useful lives of these assets and depreciation method are assessed annually, with the effect of any changes in estimate accounted for on a prospective basis.

Changes to useful life estimates would affect future depreciation or amortization expenses and future carrying values of assets. Useful lives of property and equipment are included in the table below.

When an item of property and equipment comprises individual components for which different depreciation methods or rates are appropriate, judgment is used in determining the appropriate level of componentization.

Critical Accounting Estimates and Judgments (continued)

The useful lives used in the calculation of depreciation are as follows:

Buildings	15 to 65 years
Technical equipment	
Transmitters and towers	20 years
Electrical equipment	16 years
Other	8 years
Furnishings and office equipment	10 years
Computers (hardware)	
Servers	5 years
Personal computers	3 years
Automotive	
Specialized vehicles	20 years
Television and radio news trucks, 5-ton and 10-ton heavy trucks	12 years
Snowmobiles, all-terrain vehicles	10 years
Utility vehicles, vans	8 years
Automobiles and minivans	5 years

Supporting information

A. Cost and Accumulated Depreciation

The property and equipment carrying amounts are as follows:

	March 31, 2016	March 31, 2015
Cost	2,056,402	2,092,572
Accumulated depreciation	(1,171,333)	(1,189,820)
	885,069	902,752

	Land	Buildings	Leasehold improvements	Technical equipment	Other	Uncompleted capital projects	Total
Cost as at March 31, 2015	174,552	553,585	53,253	1,129,557	139,591	42,034	2,092,572
Additions	-	10	-	11,390	4,998	76,240	92,638
Transfers (refer to Note 10)	6	14,237	10,625	46,746	11,588	(78,304)	4,898
Assets classified as held for sale	(257)	(5,472)	-	-	-	-	(5,729)
Disposals and write-offs	5	(6,938)	-	(112,070)	(8,974)	-	(127,977)
Cost as at March 31, 2016	174,306	555,422	63,878	1,075,623	147,203	39,970	2,056,402
Accumulated depreciation as at March 31, 2015	-	(209,726)	(28,864)	(847,406)	(103,824)	-	(1,189,820)
Depreciation for the year	-	(30,461)	(3,935)	(56,097)	(11,749)	-	(102,242)
Reclassification of depreciation on assets classified as held for sale	-	2,790	-	-	-	-	2,790
Reclassification of depreciation on disposals and write-offs	-	3,266	-	107,012	7,661	-	117,939
Accumulated depreciation as at March 31, 2016	-	(234,131)	(32,799)	(796,491)	(107,912)	-	(1,171,333)
Net carrying amount as at March 31, 2016	174,306	321,291	31,079	279,132	39,291	39,970	885,069

	Land	Buildings	Leasehold improvements	Technical equipment	Other	Uncompleted capital projects	Total
Cost as at March 31, 2014	174,709	547,264	52,874	1,209,026	142,580	27,170	2,153,623
Additions	-	-	-	9,774	2,808	55,681	68,263
Transfers (refer to Note 10)	-	13,017	409	21,802	7,214	(40,760)	1,682
Transfers from assets under finance leases	-	-	-	7,208	2,947	-	10,155
Assets classified as held for sale	(48)	(3,190)	-	(2,453)	-	-	(5,691)
Disposals and write-offs	(109)	(3,506)	(30)	(115,800)	(15,958)	(57)	(135,460)
Cost as at March 31, 2015	174,552	553,585	53,253	1,129,557	139,591	42,034	2,092,572
Accumulated depreciation as at March 31, 2014	-	(179,369)	(25,836)	(895,476)	(106,405)	-	(1,207,086)
Accumulated depreciation on transfers from assets under finance leases	-	-	-	(3,574)	(1,054)	-	(4,628)
Depreciation for the year	-	(35,376)	(3,058)	(60,219)	(11,997)	-	(110,650)
Reclassification of depreciation on assets classified as held for sale	-	3,188	-	2,453	-	-	5,641
Reclassification of depreciation on disposals and write-offs	-	1,831	30	109,410	15,632	-	126,903
Accumulated depreciation as at March 31, 2015	-	(209,726)	(28,864)	(847,406)	(103,824)	-	(1,189,820)
Net carrying amount as at March 31, 2015	174,552	343,859	24,389	282,151	35,767	42,034	902,752

The contractual commitments for the acquisition of property and equipment are $21.0 million as at March 31, 2016 (March 31, 2015 – $11.9 million).

The depreciation for the year has been recorded in the Corporation's Consolidated Statement of Income (Loss) as follows:

	For the year ended March 31	
	2016	2015
Television, radio and digital services costs	80 031	88 118
Transmission, distribution and collection costs	21 832	22 112
Corporate management	379	420
Total	102 242	110 650

B. Impairment and Other Charges

There were no impairment losses recorded or reversed during the year ended March 31, 2016 (2015 – nil).

C. Assets Classified as Held For Sale

Consistent with the Corporation's financial plan to reduce its real estate footprint, several properties were classified as held for sale for accounting purposes as at March 31, 2016 that have a total carrying value of $3.5 million (March 31, 2015 - $1.6 million). These properties are expected to be sold on a site by site basis over the next twelve months.

D. Disposals

During the fiscal year, the Corporation sold its mobile assets, a property located in Sudbury (Ontario) and properties located in Iqaluit (Nunavut), Gander (Newfoundland), Grand Falls (New Brunswick) and Saint-Norbert (Québec) that were previously held for sale. The proceeds on the sale of these assets were $10.1 million and resulted in a gain of $3.6 million.

The Corporation also recorded a gain of $1.1 million (2015 - $8.7 million) for insurance proceeds related to a mobile production vehicle that was damaged beyond repair in May 2014. In addition, a loss of $2.4 million related to this mobile unit was recorded during 2014-2015.

During the fiscal year, the Corporation recorded a loss of $2.5 million for the partial derecognition of a component of the TBC building, which was replaced by a new one.

During 2014-2015, the Corporation sold properties located in Halifax, Nova Scotia, Windsor, Ontario and Yellowknife, Northwest Territories that were previously held for sale. The proceeds on the sale of these properties were $7.6 million and resulted in a gain of $2.7 million.

Other net gains and losses during the current and the previous fiscal years resulted from the disposal or retirements of equipment as part of the Corporation's normal asset refresh cycle.

10. INTANGIBLE ASSETS

Intangible assets are non-monetary assets which are identifiable, represent future economic benefits and are controlled by the Corporation. The Corporation's intangible assets comprise software acquired separately and internally developed software for internal use.

Accounting Policies

Software acquired separately is recorded at cost at the acquisition date.

Expenditures relating to internally developed computer software applications are capitalized when the following criteria are met:

- The applications are technically feasible;
- The Corporation intends to complete the asset and to use it;
- The Corporation has the ability to use the asset;
- The development costs can be reliably measured;
- The Corporation has the adequate technical, financial and other resources to complete the development of the asset and to use it; and
- It is probable that the asset will generate future economic benefits.

The amount initially recognized for internally developed software is the total of the expenditure incurred from the date the intangible asset first meets the recognition criteria listed above. Capitalization ceases when the developed asset is ready for use.

Subsequent expenditures on an intangible asset after its purchase or completion are recognized as expenses when incurred, unless it is probable that these expenditures will enable the asset to generate future economic benefits in excess of its originally assessed standard of performance, and the expenditure can be measured and attributed to the asset reliably. Where no internally developed software can be recognized, development expenditures are recognized in the Consolidated Statement of Income (Loss) in the period in which they are incurred.

Subsequent to initial recognition, software acquired separately and internally developed software are reported at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over the estimated useful lives (three to five years) and the amortization expense is allocated between the various functions on the Consolidated Statement of Income (Loss), for presentation purposes.

The Corporation derecognizes an intangible asset on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the disposal or retirement of an intangible asset is determined as the difference between the sale net proceeds and the carrying amount of the asset and is recognized as a non-operating item in the Consolidated Statement of Income (Loss).

Critical Accounting Estimates and Judgments

The Corporation uses judgment to determine whether expenditures it has made on intangible items meet the recognition criteria for capitalization. Since intangible assets are accounted for at cost and amortized on a straight-line basis over their estimated useful lives, the Corporation is required to estimate the expected useful lives of these assets.

In determining the expected useful lives of these assets, the Corporation takes into account past experience, industry trends and internally-specific factors, such as changing technologies and expectations for the in-service period of these assets.

The appropriateness of useful lives of these assets and their amortization method are assessed annually with the effect of any changes in estimate being accounted for on a prospective basis.

Changes to useful life estimates would affect future amortization expenses and future carrying values of assets.

Supporting information

The intangible assets carrying amounts are as follows:

	March 31, 2016	March 31, 2015
Cost	185,854	176,695
Accumulated amortization	(157,097)	(151,371)
	28,757	25,324

	Internally developed software	Acquired software	Uncompleted capital projects	Total
Cost as at March 31, 2015	140,594	26,602	9,499	176,695
Additions	-	251	14,902	15,153
Transfers (refer to Note 9)	681	5,919	(11,498)	(4,898)
Disposals and write-offs	(515)	(581)	-	(1,096)
Cost as at March 31, 2016	140,760	32,191	12,903	185,854
Accumulated amortization as at March 31, 2015	(137,090)	(14,281)	-	(151,371)
Amortization for the year	(1,252)	(5,132)	-	(6,384)
Reclassification of amortization on disposals and write-offs	515	143	-	658
Accumulated amortization as at March 31, 2016	(137,827)	(19,270)	-	(157,097)
Net carrying amount as at March 31, 2016	2,933	12,921	12,903	28,757

	Internally developed software	Acquired software	Uncompleted capital projects	Total
Cost as at March 31, 2014	140,893	23,887	4,948	169,728
Additions	-	97	10,150	10,247
Transfers (refer to Note 9)	1,299	2,618	(5,599)	(1,682)
Disposals and write-offs	(1,598)	-	-	(1,598)
Cost as at March 31, 2015	140,594	26,602	9,499	176,695
Accumulated amortization as at March 31, 2014	(136,720)	(9,612)	-	(146,332)
Amortization for the year	(1,830)	(4,669)	-	(6,499)
Reclassification of amortization on disposals and write-offs	1,460	-	-	1,460
Accumulated amortization as at March 31, 2015	(137,090)	(14,281)	-	(151,371)
Net carrying amount as at March 31, 2015	3,504	12,321	9,499	25,324

There were no impairment losses recorded or reversed during the year ended March 31, 2016 (2015 – nil).

The amortization for the year of $6.4 million (2015 - $6.5 million) has been recorded in the Corporation's Consolidated Statement of Income (Loss) in Television, radio and digital services costs.

11. ASSETS UNDER FINANCE LEASES

Assets under finance lease consisted of a lease for satellite transponders and leasehold improvements with original lease terms of seventeen and seven years respectively.

Accounting Policies

Recognition and measurement

Assets acquired by way of a finance lease are stated at an amount equal to the lower of its fair value and the present value of minimum lease payments at inception of the lease, less accumulated depreciation and accumulated impairment losses.

Depreciation

Assets under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the related lease unless it is reasonably certain the Corporation will obtain ownership by the end of the lease term.

Critical Accounting Estimates and Judgments

The determination that an arrangement for satellite transponders and leasehold improvements constitutes a lease under IFRIC 4 ***Determining whether an arrangement contains a lease*** and the determination that this lease meets the criteria of a finance lease because the Corporation has a right to use the transponders and leasehold improvements conveyed by the agreements for substantially all of the estimated economic useful life of the leased assets.

11. ASSETS UNDER FINANCE LEASES (CONTINUED)

Supporting information

	March 31, 2016	March 31, 2015
Cost – leasehold improvements	7,821	-
Cost – satellite transponders	119,897	119,897
Accumulated depreciation – leasehold improvements	(624)	-
Accumulated depreciation – satellite transponders	(106,498)	(99,508)
Net carrying amount	20,596	20,389

Depreciation for the year ended March 31, 2016, was $7.6 million (2015 – $8.0 million). For more information on the related obligations, refer to Note 17.

12. INVESTMENT IN ASSOCIATE

An associate is an entity over which the Corporation has significant influence and that is neither a subsidiary nor an interest in a joint arrangement. Significant influence is the power to participate in the financial and operating policy decisions of the investee but does not result in control or joint control over those policies.

Accounting Policies

These financial statements incorporate the Corporation's share of the results of its associate, Sirius XM Canada Holdings Inc. (SiriusXM), using the equity method of accounting. SiriusXM follows similar accounting principles and policies to CBC/Radio-Canada.

The Corporation recognizes its investment in SiriusXM initially at cost, and then adjusts the carrying value based on the Corporation's share of SiriusXM income or loss. Distributions received by the Corporation from SiriusXM reduce the carrying amount of its investment.

When the Corporation transacts with its associate, profits and losses are eliminated to the extent of the Corporation's interest in the relevant associate.

The investment in associate is assessed for indicators of impairment at the end of each reporting period. Any impairment loss is recognized when the net carrying amount is not recoverable and exceeds its fair value.

Critical Accounting Estimates and Judgments

The Corporation exercised significant influence over SiriusXM at March 31, 2016, while holding less than 20% voting control.

In assessing significant influence, judgment was used in determining that the seat the Corporation has on SiriusXM's Board of Directors (through its ownership interest) confers the Corporation the power to participate in the financial and operating policy decisions of its investee.

Supporting Information

SiriusXM, a corporation located and domiciled in Canada, is a satellite radio communications company offering a variety of content on a subscription basis across Canada, including 6 channels carrying the Corporation's programming.

The equity-accounted investee information as at March 31 is summarized in the table below:

	Ownership interest held[1]		Voting interest held		Quoted Fair Value[2]		Carrying Amount		Dividends received[3]	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
SiriusXM	10.15%	10.18%	9.64%	9.67%	$60.5M	$71.8M	2,496	-	$5.5M	$16.9M

[1] As at March 31, 2016, the Corporation held 13,056,787 Class A Subordinate Voting Shares in SiriusXM.

[2] The quoted market value (fair value) was based on unadjusted quoted prices in active markets (Level 1).

[3] SiriusXM has a policy to pay dividends on a quarterly basis, as well as to issue special dividends at their discretion. Last year-end included the receipt of a special dividend of $10.4M (2016: none).

SiriusXM's fiscal year end is August 31 for financial reporting purposes, which differs from that of the Corporation. IAS 28, *Investments in Associates and Joint Ventures*, limits the difference between the end of the reporting period of an associate and that of the investor to no more than three months. As such, the Corporation has included its portion of the interim results of SiriusXM for the period up to February 29, 2016, which falls within the allowed three month window. This corresponds to the latest information available for SiriusXM that can be disclosed publicly.

On July 28, 2014, the Corporation sold 4.8 million of its Class A shares in SiriusXM for net proceeds and a gain of $33.5 million.

The summarized financial information presented below represents the amounts included in the IFRS financial statements of SiriusXM:

	March 31, 2016[1]	March 31, 2015[2]
Current assets	36,441	41,856
Non-current assets	256,410	256,300
Current liabilities	(208,413)	(215,575)
Non-current liabilities	(218,431)	(211,069)
Net assets	(133,993)	(128,478)
Revenue	334,271	307,741
Net results and total comprehensive income (loss)	49,609	(17,548)

[1] Amounts for the year ended March 31, 2016, include SiriusXM results/balances for the 12-month period ended February 29, 2016.

[2] Amounts for the year ended March 31, 2015, include SiriusXM results/balances for the 12-month period ended February 28, 2015.

A reconciliation of the summarized financial information above to the carrying amounts of SiriusXM recorded on the Consolidated Statement of Financial Position is as follows:

	March 31, 2016	March 31, 2015
Opening balance	-	1,855
Share of results in associate[1]	7,980	-
Dividends received[1]	(5,484)	(1,855)
Balance, end of year	2,496	-

[1] Total dividends received during the year ended March 31, 2016 amounted to $5.5 million (2015 - $16.9 million). In the prior year, dividends received grinded down the investment carrying value to nil. In the current year, the excess of dividends received over the investment carrying value of $8.0 million (2015 - $15.1 million) is recognized in net results under Share of results in associate.

Since the Corporation's share of losses and distributions exceeded its interest in SiriusXM in 2014-2015, its investment carrying value was grinded down to nil. In addition, the Corporation did not recognize losses totaling $2.4 million in relation to its interest in SiriusXM, because the Corporation had no obligation in respect of these losses. During the current year, the Corporation recognized gains totaling $4.9 million. However, $2.4 million of these gains offsetted prior year losses, which left the Corporation with a net gain of $2.5 million.

SiriusXM has no discontinued operations. There are no significant restrictions imposed on SiriusXM relating to their ability to transfer funds to their investors.

The Corporation has not incurred any contingent liabilities or commitments in relation to its associate.

13. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities mainly consist of amounts owed to suppliers and employees that have been invoiced or accrued.

Accounting Policies	Critical Accounting Estimates and Judgments
Accounts payable and accrued liabilities are recognized initially at fair value and subsequently measured at amortized cost.	There are no critical accounting estimates and judgments related to accounts payable and accrued liabilities.

	March 31, 2016	March 31, 2015
Trade payables	45,692	31,999
Accruals	65,130	53,565
Other	1,690	1,970
	112,512	87,534

14. PROVISIONS

Accounting Policies

Provisions are recognized when:

- The Corporation has a present obligation (legal or constructive) as a result of a past event;
- It is probable that the Corporation will be required to settle the obligation; and
- A reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flow estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

Critical Accounting Estimates and Judgments

When it has been determined by management that the Corporation has a provision to be accrued, assumptions about the amount and likelihood of outflows and their timing are considered in determining a reliable estimate for the obligation. Factors affecting these assumptions include the nature of the provision, the existence of the claim amount, opinions or views of legal counsel and other advisors, experience in similar circumstances, and any decision of management as to how the Corporation intends to handle the obligation.

In addition, the Corporation has provided for termination benefits which are also complex processes and involve making and reassessing estimates. The actual amount and timing of outflows may deviate from assumptions, and the difference might materially affect future consolidated financial statements, with a potentially adverse impact on the consolidated results of operations, financial position and liquidity.

Supporting information

			Restructuring costs		
	Claims and legal proceedings	Environmental	Termination benefits	Decommissioning	Total
Opening balance	32,044	377	6,436	2,105	40,962
Additional provisions recognized	11,463	94	2,048	-	13,605
Provisions utilized	(3,264)	(128)	(3,872)	(2,007)	(9,271)
Reductions resulting from remeasurement or settlement without cost	(16,047)	-	(4,595)	(98)	(20,740)
Balance, end of year	24,196	343	17	-	24,556

A. Restructuring Costs

Restructuring costs recognized last year relate to initiatives carried out as part of the Corporation's new strategic plan announced in June 2014 which requires a workforce reduction of up to 1,500 employees by 2020. During the year ended March 31, 2016, there were no new material restructuring announcements.

Expenses related to restructuring costs in connection with these workforce reductions comprise severance, benefits continuation and outplacement services, and were recognized where demonstrably committed and reasonable. All remaining amounts related to restructuring provisions are expected to be paid out within the next 12 months.

At March 31, 2016, the Corporation's provision related to termination benefits is immaterial (March 31, 2015 – $6.4 million) and is included in current liabilities.

The Corporation's decommissioning provision includes work associated with the shutdown of both analogue television and shortwave transmission services. At March 31, 2016, work associated with the provision has been completed and the balance was nil (March 31, 2015 – $2.1 million).

B. Claims and Legal Proceedings

Various claims and legal proceedings have been asserted or instituted against the Corporation. Some of these claims demand large monetary damages or other form of relief, and could result in significant expenditures. These claims consist mainly of copyright tariffs, grievances and other legal claims.

Litigation is subject to many uncertainties and the outcome of individual matters is not always predictable. Claims that are uncertain in terms of the outcome or potential outflow or that are not measurable are considered to be a contingency and are not recorded in the Corporation's consolidated financial statements. In addition, claims where cash outflows are not probable are considered as contingencies.

At March 31, 2016, the Corporation had provisions amounting to $24.2 million (March 31, 2015 – $32.0 million) in respect of legal claims. All matters are classified as current as, where estimable, the Corporation is working to resolve these matters within 12 months.

15. PENSION PLANS AND EMPLOYEE-RELATED LIABILITIES

The Corporation provides pension and long-term service retirement benefits based on the length of service and final average earnings of its employees, and other defined benefit post-employment benefit plans to its employees such as post-employment life insurance.

PENSION PLANS AND POST-EMPLOYMENT BENEFITS

Accounting Policies

The cost of the defined benefit retirement plans are determined on an actuarial basis using the projected unit credit method and management's best assumptions (such as the rate of compensation, inflation, retirement ages of employees and mortality of members), with actuarial valuations being carried out at the end of each annual reporting period.

The components of defined benefit costs are categorized as follows:

- Service cost - includes current service cost and past service cost. The Corporation recognizes it as part of net results for the period. Past service costs, generally resulting from changes in the benefits payable for past services under an existing plan, are recognized in the Consolidated Statement of Income (Loss) in the period of a plan amendment.
- Net interest expense or income - The Corporation recognizes it as part of net results for the period. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

These two components, in aggregate, are allocated between the various functions on the Consolidated Statement of Income.

- Remeasurements - comprises actuarial gains and losses and the return on plan assets (excluding interest). These are reflected immediately in the Consolidated Statement of Financial Position with a charge or credit recognized in other comprehensive income (loss) in the period in which they occur. Remeasurements recognized in other comprehensive income are never subsequently reclassified to net results. The Corporation transfers all remeasurements directly from other comprehensive income to retained earnings as a policy choice.

The liability recognized in the Consolidated Statement of Financial Position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rate determined by reference to market yields at the end of the reporting period on high quality Canadian corporate bonds that have terms to maturity approximating the terms of the related defined benefit obligation.

When the actuarial calculation results in a benefit asset to the Corporation, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements that apply to any plan of the Corporation. An economic benefit is available if it is realizable during the life of the plan, or on settlement of the plan liabilities.

Critical Accounting Estimates and Judgments

Accounting for defined benefit pension plans requires that assumptions be made to help value benefit obligations.

The primary assumptions and estimates include the discount rates, health care cost trend rates, long-term rate of compensation increase, future pension increases and mortality of members. These assumptions are of a long-term nature, which is consistent with the nature of post-employment benefits.

Changes to these primary assumptions and estimates would impact amounts recognized in net results and amounts recognized in Other Comprehensive Income, as applicable. A sensitivity analysis of these changes in primary assumptions is disclosed.

15. PENSION PLANS AND EMPLOYEE RELATED LIABILITIES (CONTINUED)

EMPLOYEE BENEFITS OTHER THAN POST-EMPLOYMENT

Accounting Policies	Critical Accounting Estimates and Judgments
Short-term benefits including short-term compensated absences The Corporation recognizes the expense relating to short-term benefits as follows: - For salaries, social security contribution, bonuses and vacations in the period the employees render the services; - For employee health, dental and life insurance plans in the period the expenses are incurred; and - For short-term non-accumulating compensated absences such as sick leave, parental leave, short-term disability and workers' compensation in the period the absence occurs. Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Corporation has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. Other long-term employee benefits Other long-term employee benefits liabilities are recognized as follows: - For long-term disability and workers' compensation when the event that obligates the Corporation occurs; - For continuation of benefit coverage for employees on long-term disability and the non-contributory long-term benefit plan, the provision is determined on an actuarial basis using discount rates and assumptions consistent with those used for post-employment benefits and the related expense is recognized over the period the employees render the services. Actuarial gains (losses) and past service costs are recognized immediately in the Consolidated Statement of Income (Loss) in the period they occur.	There are no critical accounting estimates and judgments related to employee benefits other than post-employment.

TERMINATION BENEFITS

Accounting Policies	Critical Accounting Estimates and Judgments
The Corporation recognizes termination benefits at the earlier of the following dates: (a) when the Corporation can no longer withdraw the offer of those benefits; and (b) when the Corporation recognizes costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits. In the case of a voluntary departure, the Corporation can no longer withdraw an offer of termination benefits when either the employee accepts the offer, or when a restriction on the Corporation's ability to withdraw the offer exists. In the case of an involuntary departure, the Corporation can no longer withdraw an offer of termination benefits when it has communicated to the affected employees a plan of termination.	There are no critical accounting estimates and judgments related to termination benefits.

Supporting information

A. Pension Plan Asset/Liability and Employee-Related Liabilities

Employee-related assets/liabilities recognized and presented in the Consolidated Statement of Financial Position are as follows:

	Current		Non-current	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Pension plan asset	-	-	145,406	190,342
Pension plan liability	-	-	102,739	106,801
Other post-employment plans	-	-	136,833	140,339
Vacation pay	55,056	55,315	-	-
Termination benefits	17,310	30,809	-	-
Salary-related liabilities	49,195	68,752	79	105
Total pension plan and employee-related liabilities	121,561	154,876	239,651	247,245

The amount included in the Consolidated Statement of Financial Position arising from the Corporation's obligation in respect of its defined benefit plans is as follows:

	March 31, 2016			March 31, 2015		
	Funded pension plan	Unfunded pension plans	Other post-employment plans	Funded pension plan	Unfunded pension plans	Other post-employment plans
Fair value of plan assets	6,456,327	-	-	6,648,816	-	-
Defined benefit obligation	6,310,921	102,739	136,833	6,458,474	106,801	140,339
Net asset (liability) arising from defined benefit obligation	145,406	(102,739)	(136,833)	190,342	(106,801)	(140,339)

The Corporation maintains a contributory defined benefit pension plan, the CBC/Radio-Canada Pension Plan, covering substantially all employees of the Corporation. The Plan is administered by the CBC Pension Board of Trustees, including the management of the Plan's assets and the payment of benefits promised to Plan members and their survivors. The Plan is federally regulated and is governed by the provisions of the *Pension Benefits Standards Act* (the *Act*), and other applicable regulations.

Retirement benefits are based on the length of pensionable service and on the average of the best five consecutive years of pensionable salary in the last 10 years of employment. Employees are required to contribute a percentage of their pensionable salary to the Plan, with the Corporation providing the balance of the funding, as required, based on actuarial valuations. The amounts included in these consolidated financial statements reflect the latest funding valuation which was performed as of December 31, 2015. While this valuation has been completed, it has not yet been filed with the pension authorities. The Corporation also maintains unfunded non-contributory defined benefit pension arrangements. All plans are subject to an annual actuarial valuation.

The Corporation maintains a non-contributory long-term benefit plan for certain employees hired prior to the various plan closure dates which vary by category of employees between April 1, 2005 and October 1, 2007. Under the plan, employees retiring with more than three years of service with the Corporation can choose to receive a cash award upon retirement or improve their pension benefits. The benefits are based on the length of pensionable service and on the salary rate at March 2005, July 2005 or at retirement/death, depending on the category of employees. The Corporation also provides employee future benefits such as long-term disability and workers' compensation, continuation of benefits coverage for employees on long-term disability and post-retirement life insurance.

The last actuarial valuations for the non-contributory long-term benefit plan and the continuation of benefits coverage plan were made as at December 31, 2015. The measurement date for the pension plan assets and the defined benefit obligation is March 31, 2016.

The risks associated with the Corporation's defined benefit plan are as follows:

Funding risk: One of the primary risks that plan sponsors face is funding risk, which is the risk that the investment asset growth and contribution rates of the Corporation's pension plan will not be sufficient to cover the pension obligations, resulting in unfunded liabilities. When a funding deficit exists, regulatory authorities require that special payments be made over specified future periods.

The major contributors to funding risk are the declines in discount rates and investments failing to achieve expected returns. In addition, the pension obligations are affected by non-economic factors like changes in member demographics.

Funding risk is managed by monitoring and reviewing the funded ratio on an ongoing basis and ensuring that investment decisions are made in accordance with established investment policies and procedures and applicable legislation. The Statement of Investment Policies and Procedures (SIPP) is reviewed annually by the CBC Pension Board of Trustees with a view to provide the pension plans with long-term rate of return sufficient to assist the plans in meeting funding objectives and the ongoing growth of pension obligations.

Other risks: The plan assets are also subject to a variety of financial risks as a result of investment activities. These risks include credit risk, market risk (interest rate, currency risk and price risk) and liquidity risk. In addition, the defined benefit obligation and costs are subject to measurement uncertainty due to the use of actuarial assumptions (see below). The impact of these factors on the remeasurement of the pension benefit asset, and pension, other post-employment and other long-term benefit liabilities can be significant and volatile at times.

B. Significant Actuarial Assumptions

The significant actuarial assumptions used for the purposes of determining the defined benefit obligation and pension benefit costs were as follows:

Assumptions – annual rates	March 31, 2016	March 31, 2015
Assumptions for the calculation of pension benefit costs:		
Discount rate	3.50%	4.25%
Assumptions for the calculation of the benefit obligation:		
Discount rate - pension	3.75%	3.50%
Discount rate - long service gratuity	3.00%	2.75%
Discount rate - LTD benefit	3.00%	2.75%
Discount rate - life insurance	3.75%	3.50%
Mortality	CBC Pensioner mortality table based on CBC experience	CBC Pensioner mortality table based on CBC experience
Long-term rate of compensation increase, excluding merit and promotion	1.40% in 2016 & 2017 2.75% thereafter	1.40% in 2015 & 2016 2.75% thereafter
Health care cost trend rate	7.50% in 2016 declining to 4.50% over 10 years	7.53% in 2015 declining to 4.50% over 13 years
Indexation of pensions in payment	1.86%	1.86%

C. Sensitivity Analysis

The sensitivity analysis of the significant actuarial assumptions would show the following changes in the present value of the defined benefit obligations:

	Pension plans		Other post-employment plans	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Discount rate sensitivity				
100 basis points higher	-13.1%	-13.7%	-7.7%	-8.0%
100 basis points lower	16.8%	17.6%	9.1%	9.4%
Expected rate of future salary increases				
100 basis points higher	2.9%	3.2%	5.7%	7.5%
100 basis points lower	-2.5%	-2.8%	-5.1%	-6.6%
Expected rate of future pension increases				
100 basis points higher	13.4%	13.8%	N/A	N/A
100 basis points lower	-11.1%	-11.3%	N/A	N/A
Mortality sensivity				
Pensioners live an extra year	4.8%	4.8%	1.7%	1.6%
Pensioners die a year before	-4.9%	-4.9%	-1.9%	-1.9%
Health care cost trend rates sensitivity				
100 basis points higher	N/A	N/A	1.0%	0.9%
100 basis points lower	N/A	N/A	-0.9%	-0.8%

N/A = not available

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognized within the Consolidated Statement of Financial Position.

An asset/liability study is performed periodically to review the risk/reward associated with the existing long-term asset mix policy, analyze the risk/reward profile that would result from alternative asset mix policies, and consider the impact of various economic environments on both the assets and liabilities (pension obligations). The most recent asset/liability study was completed in 2015. Its main findings are summarized below:

- Maintained the value of the Plan's Liability Driven Investment (LDI)[34] strategy that focuses on reducing the interest rate and inflation risk mismatch between the Plan's assets and liabilities;
- Introduced a structure to systematically adjust the Plan's interest rate hedging ratio based on the level of interest rates;
- Recommended that the amount of return generating assets with higher return potential, such as equities, private investments and real estate be maintained at existing levels; and
- Introduced a quantified risk tolerance for the Plan.

The Plan is funded on the basis of actuarial valuations, which are made on an annual basis. Employees are required to contribute to the Plan a percentage of their pensionable salary. The Corporation provides the balance of the funding, as required, based on actuarial valuations.

D. CONTRIBUTION RATE

The contribution rate for full-time employees is as follows:

	2015-2016	2014-2015
For earnings up to the maximum public pension plan earnings[1]		
April 1 to June 30	6.25%	6.19%
July 1 to March 31	6.98%	6.25%
For incremental earnings in excess of the maximum public pension plan earnings[1]		
April 1 to June 30	8.22%	8.14%
July 1 to March 31	9.18%	8.22%

[1] The maximum public pension earnings for 2016 is $54,900 (2015: $53,600, 2014: $52,500).

E. TOTAL CASH PAYMENTS

Cash payments for pension, other post-employment and other long-term benefits for the Corporation were as follows:

	For the year ended March 31	
	2016	2015
Benefits paid directly to beneficiaries	12,909	12,980
Employer regular contributions to pension benefit plans	56,163	60,062
Total cash payments for defined benefit plans	69,072	73,042

F. MATURITY PROFILE

The maturity profile of the benefit plan obligation and other post-employment benefits for the Corporation is as follows:

	Pension plans		Other post-employment plans	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Average duration of the benefit obligation	14.7 years	15.4 years	8.5 years	8.6 years
Active members	21.7 years	22.1 years	8.6 years	8.5 years
Deferred members	18.4 years	20.5 years	N/A	N/A
Retired members	10.7 years	10.9 years	7.7 years	10.3 years

N/A = not applicable

The Corporation expects to make a contribution of $51.8 million to the defined benefit pension plans during the next financial year. Over the next two years, the Corporation will be moving towards 50:50 current service cost-sharing between employees and employer for pension contributions for all members.

[34] LDI is an investment strategy that manages a pension plan's assets relative to its liabilities with the intent to minimize pension surplus volatility. Under LDI, pension plan assets are grouped into matched and unmatched assets. Matched assets (fixed income) have the similar interest rate and inflation sensitivities as the pension plan's liabilities. Unmatched assets (equities and alternative investments) do not have the same interest rate and inflation sensitivities as the pension plan's liabilities.

G. DEFINED BENEFIT OBLIGATION

Movements in the present value of the defined benefit obligation were as follows:

	March 31, 2016		March 31, 2015	
	Pension plans	Other post-employment plans	Pension plans	Other post-employment plans
Opening defined benefit obligation	6,565,275	140,339	5,649,933	136,481
Current service cost	125,661	5,564	98,839	5,311
Interest cost	227,795	4,049	237,284	4,874
Contributions from employees	46,064	-	47,359	-
Remeasurements:				
Actuarial losses (gains) arising from changes in demographic assumptions	-	(627)	-	-
Actuarial losses (gains) arising from changes in financial assumptions	(271,327)	(3,748)	810,039	6,653
Actuarial losses (gains) arising from experience adjustments	21,888	4,165	1,803	-
Benefits paid	(301,696)	(12,909)	(279,982)	(12,980)
Closing defined benefit obligation	6,413,660	136,833	6,565,275	140,339

H. FAIR VALUE OF PLAN ASSETS

Movements in the fair value of the plan assets were as follows:

	March 31, 2016		March 31, 2015	
	Pension plans	Other post-employment plans	Pension plans	Other post-employment plans
Opening fair value of plan assets	6,648,816	-	5,587,972	-
Administration fees (other than investment management fees)	(6,160)	-	(5,340)	-
Interest income on plan assets	229,510	-	233,795	-
Return on plan assets, excluding interest income	(216,370)	-	1,004,950	-
Contributions from employees	46,064	-	47,359	-
Contributions from the Corporation	56,163	12,909	60,062	12,980
Benefits paid	(301,696)	(12,909)	(279,982)	(12,980)
Closing fair value of plan assets	6,456,327	-	6,648,816	-

The fair value of the plan assets can be allocated to the following categories:

		March 31, 2016			March 31, 2015	
		Quoted market price in an active market (Level 1)	Not quoted market price in an active market (Level 2 & 3)	Total	Quoted market price in an active market (Level 1)	Not quoted market price in an active market (Level 2 & 3)	Total
Fixed income	Cash and short-term investments	228,005	243,921	471,926	246,415	17,634	264,049
	Canadian bonds	-	2,667,214	2,667,214	-	2,934,094	2,934,094
Equities	Canadian	345,307	179,522	524,829	343,289	277,065	620,354
	Global	1,193,468	236,659	1,430,127	1,470,164	50,763	1,520,927
Strategic	Property	38,351	555,205	593,556	41,079	498,253	539,332
	Private investments	-	594,384	594,384	-	536,882	536,882
	Hedge Funds	-	153,041	153,041	-	155,056	155,056
Other	Derivatives	(1,142)	11,100	9,958	(731)	34,723	33,992
Total investment assets		1,803,989	4,641,046	6,445,035	2,100,216	4,504,470	6,604,686
Non-investment assets less liabilities		-	-	11,292	-	-	44,130
Fair value of plan assets		-	-	6,456,327	-	-	6,648,816

The fair values of the above fixed income and equity instruments are determined based on quoted market prices in active markets whereas the fair values of strategic investments and derivatives are not based on quoted market prices in active markets. The actual return on plan assets was $57.2million or 0.88% (2015 – $1,273.1 million or 23.23%).

I. Defined Benefit Plan Costs

Amounts recognized in the Consolidated Statement of Income (Loss) and in the consolidated statement of comprehensive income (loss) in respect to these defined benefit plans are indicated in the table below:

	For the year ended March 31	
	2016	2015
Current service cost	131,225	104,150
Administration fees (other than investment management fees)	6,160	5,340
Interest cost on defined benefit obligation	231,844	242,158
Interest income on plan assets	(229,510)	(233,795)
Other	(534)	1,002
Expense recognized in net results	139,185	118,855
Less:		
Remeasurements recognized in other comprehensive income (loss)	(32,745)	(187,457)
Total	106,440	(68,602)

Retained earnings include $400.1 million of cumulative actuarial gains as at March 31, 2016 (March 31, 2015 gains – $367.4 million).

The total expense recognized in net results has been recorded in the Corporation's Consolidated Statement of Income (Loss) as follows:

	For the year ended March 31	
	2016	2015
Television, radio and digital services costs	133,617	114,100
Transmission, distribution and collection	4,176	3,566
Corporate management	1,392	1,189
Total	139,185	118,855

For the year ending March 31, 2016, the total expense related to employee benefits, which includes all salary and related costs, was $925.7 million (2015 - $989.8 million).

16. BONDS PAYABLE

The Broadcast Centre Trust (the "BCT") issued $400 million in secured bonds on January 30, 1997, which will mature in May 2027. The Corporation, through its relationship with the BCT, guarantees the bonds payable with its rent payments for the premises occupied by the Corporation in Toronto.

The bonds are secured by the assets of Canadian Broadcasting Centre, which have a carrying value of $187.4 million (March 31, 2015 - $198.1 million). They bear a fixed interest rate of 7.53% annually and require blended semi-annual payments of $16.5 million, which will require the following principal amounts:

	March 31, 2016		March 31, 2015	
	Minimum payments	Carrying amount	Minimum payments	Carrying amount
Less than one year	33,039	22,269	33,039	21,663
Later than one year but not later than five years	132,155	69,462	132,155	66,513
More than five years	214,752	167,389	247,790	186,724
Less: future finance charges	(120,826)	-	(140,084)	-
Total	259,120	259,120	272,900	272,900

Interest expense related to bonds payable included in current year's expenses and presented as finance costs is $19.3 million (2015 – $20.2 million).

Carrying amount:

	March 31, 2016	March 31, 2015
Included in the Consolidated Statement of Financial Position as bonds payable:		
Current	22,269	21,663
Non-current	236,851	251,237
	259,120	272,900

17. OBLIGATIONS UNDER FINANCE LEASES

Obligations under finance leases mainly consist of satellite transponders and leasehold improvements. Payments made under finance leases are apportioned between financing costs and the reduction of the outstanding liability. The financing costs are allocated to each period so as to produce a constant periodic rate of interest on the remaining balance of the liability.

	Effective Interest rate	Ending Date
Leasehold improvements	2.12 % per annum	June 2022
Transponder lease	6.82 % per annum	February 2018

	March 31, 2016		March 31, 2015	
	Future minimum lease payments	Present value of future minimum lease payments	Future minimum lease payments	Present value of future minimum lease payments
Less than one year	12,733	11,476	12,030	10,232
Later than one year but not later than five years	12,787	11,984	22,055	20,671
More than five years	4,716	4,597	-	-
Less: future finance charges	(2,179)	-	(3,182)	-
Total	28,057	28,057	30,903	30,903

	March 31, 2016	March 31, 2015
Included in the Consolidated Statement of Financial Position as obligations under finance leases:		
Current	11,476	10,232
Non-current	16,581	20,671
	28,057	30,903

Interest expense related to obligations under finance leases and included in current year's expenses as part of finance costs is $1.9 million (2015 – $2.6 million).

18. NOTES PAYABLE

The CBC Monetization Trust held notes payable which mature in May 2027 and bear interest at an annual rate of 4.688%. Blended semi-annual payments are made in May and November of each year.

The notes are redeemable at the CBC Monetization Trust's option in whole or in part from time to time before maturity, on not less than 30 days and not more than 60 days prior notice. The redemption price is the greater of the outstanding principal amount of the notes to be redeemed and the net present value of all scheduled semi-annual payments on the notes from the date of redemption to the date of maturity, using the Government of Canada yield plus 0.30% on such date, together, in each case, with accrued but unpaid interest to, but excluding, the redemption date. The notes payable are secured by the promissory notes receivable and the investment in finance lease described in Notes 7 and 8.

Principal payments are scheduled as follows:

	March 31, 2016		March 31, 2015	
	Minimum payments	Carrying amount	Minimum payments	Carrying amount
Less than one year	11,473	8,523	11,473	8,319
Later than one year but not later than five years	45,892	30,342	45,892	28,936
More than five years	74,574	63,442	86,047	71,577
Less: future finance charges	(29,632)		(34,580)	-
Total	102,307	102,307	108,832	108,832

Interest expense related to notes payable and included in current year's expenses as part of finance costs is $4.9 million (2015 – $5.3 million).

Carrying amount:

	March 31, 2016	March 31, 2015
Included in the Consolidated Statement of Financial Position as notes payable:		
Current	8,523	8,319
Non-current	93,784	100,513
	102,307	108,832

19. DEFERRED REVENUE

Deferred revenue are revenue received in advance for facilities and production services not yet provided. Deferred revenue also relates to rent-free periods granted on leases where the Corporation is a lessee, as well as payments received for services not yet rendered.

Accounting Policies	Critical Accounting Estimates and Judgments
Deferred revenue related to facilities and production services not yet provided and payments received for services not yet rendered are recognized as revenue when services have been rendered. Deferred revenue related to rent-free periods granted on leases are recognized in the Consolidated Statement of Income (Loss) on a straight-line basis over the terms of the agreements.	The Corporation has estimated the value of deferred revenue for the services owed to Rogers Communications Inc. (Rogers) for *Hockey Night in Canada* sublicensing over the remainder of the contract term. See note 6.B for more information.

Supporting information

	March 31, 2016	March 31, 2015
Opening balance	69,259	27,628
Deferred during the year	41,730	75,554
Recognized in net results during the year	(52,409)	(33,923)
Balance, end of year	58,580	69,259

	March 31, 2016	March 31, 2015
Included in the Consolidated Statement of Financial Position as deferred revenue:		
Current	25,729	30,105
Non-current	32,851	39,154
	58,580	69,259

20. REVENUE

Revenue mainly consists of amounts earned by the Corporation through it provision of goods and services to external customers.

Accounting Policies	Critical Accounting Estimates and Judgments
Revenue is measured at the fair value of the consideration received or receivable arising from the rendering of services and sale of goods in the ordinary course of the Corporation's activities. Revenue is recorded net of discounts. Revenue is recognized when: • The amount of revenue can be reliably measured; • It is probable that the future economic benefits will flow to the Corporation; and • The significant risks and rewards of ownership are transferred to customers and the Corporation retains neither continuing managerial involvement nor effective control.	There are no critical accounting estimates and judgments related to revenue.

SOURCE OF REVENUE	HOW THE CORPORATION RECOGNIZES REVENUE
Advertising revenue from the sale of advertising airtime	When the advertisement has been broadcast, the Corporation has no remaining obligations and collectability is reasonably assured
Subscriber fees revenue from specialty television channels and other subscription-based sales of programming	When the services have been provided, the Corporation has no remaining obligations, and collectability is reasonably assured
Revenue from the leasing of facilities and services; commercial production sales; program sponsorship; retransmission rights and host broadcaster's activities	When the delivery has occurred or when services have been provided, the Corporation has no remaining obligations, and collectability is reasonably assured.
Rental income from the leasing of space or contracting of facilities and related services	On a straight-line basis over the term of the lease.
Lease incentives granted	As a reduction of rental income over the term of the lease
Revenue from the sale of other services such as commercial production sales, program sponsorship and other services revenue	When the service has been delivered and the receipt of the income is probable On a straight-line basis when the delivery is over a period of time and an indeterminate number of acts
Retransmission rights and contributions from the Canada Media Fund (CMF).	On an accrual basis in accordance with the substance of the relevant agreements
Financing income from bank accounts, notes receivable and on the investment in finance lease	As it is earned for bank interest Using the effective interest method for other financing income

Supporting information

The Corporation has recognized revenue from the following sources:

	For the year ended March 31	
	2016	2015
Advertising	253,220	333,420
Subscriber fees	134,541	132,814
Building, tower, facility and service rentals	45,080	50,310
Production revenue	43,972	24,440
Digital programming	16,414	18,312
Retransmission rights	4,083	5,795
Program sponsorship	3,377	4,706
Other services	5,187	3,430
Total Rendering of services	505,874	573,227
Total Financing income	10,235	10,834
Contribution from the Local Programming Improvement Fund (LPIF)	–	8,891
Reciprocal trade revenues other than advertising	10,942	6,731
Foreign exchange gain	1,590	845
Net loss from the change in fair value of financial instruments	(255)	(393)
Total Revenue	528,386	600,135

21. FINANCE COSTS

Finance costs comprise the interest attributable to bonds payable, obligations under finance leases, notes payable and the accretion of liabilities.

Accounting Policies	Critical Accounting Estimates and Judgments
Finance costs are recognized in the Consolidated Statement of Income (Loss) in the period in which they are incurred using the effective interest method.	There are no critical accounting estimates and judgments related to finance costs.

Supporting information

The Corporation's finance costs include the following:

	For the year ended March 31	
	2016	2015
Interest on bonds payable	19,258	20,241
Interest on notes payable	4,948	5,251
Interest on obligations under finance leases	1,931	2,563
Other non-cash finance costs	1,995	2,519
	28,132	30,574

22. GOVERNMENT FUNDING

The Corporation receives a substantial portion of its funding from the Government of Canada.

Accounting Policies	Critical Accounting Estimates and Judgments
Parliamentary appropriations for operating expenditures and Parliamentary appropriations for working capital are recognized as government funding in the Consolidated Statement of Income (Loss) in the fiscal year for which the appropriations were approved. Parliamentary appropriations for property and equipment and intangible assets that are subject to depreciation are recorded as deferred capital funding on the Consolidated Statement of Financial Position, with income being recognized in the Consolidated Statement of Income (Loss) on the same basis and over the same periods as the assets acquired using the appropriations. Parliamentary appropriations for the purchase of land are recorded in the Consolidated Statement of Income.	The Corporation is required to make estimates in determining the amount of government funding to recognize in income related to capital expenditures. The amount recognized in income each year is based on the estimated useful lives and proportion of the Corporation's property and equipment, and intangible assets purchased using government funding for capital expenditures relative to the estimated useful lives and proportion purchased from self-generated funding.

Supporting information

Parliamentary appropriations approved and the amounts received by the Corporation are as follows:

	For the year ended March 31	
	2016	2015
Operating funding		
Base funding	941,693	941,687
Additional non-recurring funding for programming initiatives	-	-
Compensation adjustment allocated from Treasury Board	-	6
Transfer to capital funding	(13,361)	(12,409)
Operating funding received	928,332	929,284
Capital funding		
Base funding	92,331	92,331
Transfer from operating funding	13,361	12,409
Capital funding received	105,692	104,740
Working capital funding	4,000	4,000
	1,038,024	1,038,024

22. GOVERNMENT FUNDING (CONTINUED)

Total funding approved and received by the Corporation for the year is not the same as the total government funding presented in the Consolidated Statement of Income (Loss). Capital Funding received is recorded as Deferred Capital Funding in the Consolidated Statement of Financial Position, with income being recognized in the Consolidated Statement of Income (Loss) on the same basis and over the same periods as the related property, equipment and intangible assets. Movement in deferred capital funding was as follows:

	March 31, 2016	March 31, 2015
Opening balance	520,200	518,272
Government funding for capital expenditures	105,692	104,740
Amortization of deferred capital funding	(94,597)	(102,812)
Balance, end of year	531,295	520,200

23. INCOME TAXES

CBC/Radio-Canada is a prescribed federal Crown corporation under Reg. 7100 of the *Income Tax Act* (ITA) and is subject to federal income tax as a prescribed corporation for purposes of subsection 27(2) of the ITA. The Corporation's activities are not subject to provincial taxes.

Accounting Policies

Management uses the liability method of accounting for income taxes. Under this method, Deferred Income Tax Assets and Liabilities are recognized based on the estimated tax effect of temporary differences between the carrying value of assets and liabilities on the financial statements and their respective tax bases.

Current tax

Taxable net results differs from net results as reported in the Consolidated Statement of Income (Loss) because of items of income or expense that are taxable or deductible in other years or because of items that are never taxable or deductible. The Corporation's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

As a federal Crown Corporation that receives a substantial portion of its funding from the Government of Canada, the Corporation operates within a specific operating structure to match cash expenses with available resources, and to break even over the long term. The Corporation uses appropriations only to the extent required to fund its operating expenses, and may not borrow to fund working capital shortfalls. Therefore, the Corporation does not expect to generate material taxable income or losses in the periods that temporary differences are scheduled to reverse. Accordingly, the expected deferred tax asset or liability is not recognized in the consolidated financial statements as long as these specified operating conditions are met at the end of the reporting period.

Critical Estimates and Judgments

Management has used judgment to determine that, as of the reporting date, deferred taxes should not be recognized because the Corporation does not expect to generate material taxable income or losses in the periods temporary differences are scheduled to reverse due to its specific operating structure.

Supporting information

A. INCOME TAX RECOGNIZED IN NET RESULTS

The income tax expense for the year can be reconciled to the income tax expense that would be computed by applying the Corporation's federal statutory tax rate of 25.00% (2015 – 25.00%) to accounting profit as follows:

	For the year ended March 31	
	2016	2015
Income tax provision at federal statutory rate	(15,978)	(11,848)
Permanent differences	367	(8,755)
Increase resulting from adjustment to reflect the expected income tax payable in future periods in respect of taxable and deductible temporary differences	15,611	20,603
Income tax expense recognized in net results	-	-

The tax rate used for the 2016 reconciliation above is the corporate tax rate payable by a corporation that is a prescribed Federal Crown Corporation under Part LXXI of the *Income Tax Regulations* and is subject to the provisions of the *Income Tax Act* (Canada). An adjustment to reflect the expected income tax payable in future periods in respect of taxable and deductible temporary differences is reflected above.

B. TEMPORARY DIFFERENCES

The sources of the deductible (taxable) temporary differences for which no deferred tax asset or liability was recognized were as follows:	March 31, 2016	March 31, 2015
Accrued liabilities	34,063	61,074
Pension plan	(42,667)	(83,541)
Employee-related liabilities	132,599	140,443
Loss carry-forward	58,568	43,480
Non-current receivables and investments	8,498	11,905
Deferred income for tax purposes related to the sale of receivables	(39,600)	(43,077)
Property and equipment	(192,028)	(200,946)
Other	(17,133)	(10,430)
Total	(57,700)	(81,092)

The loss carry-forwards will begin to expire in 2030.

24. MOVEMENTS IN WORKING CAPITAL

	For the year ended March 31	
	2016	2015
Changes in Working Capital are comprised of:		
Trade and other receivables	15,018	135,411
Programming asset (current)	(67,650)	41,551
Merchandising inventory	16	(17)
Prepaid expenses	(11,709)	(5,725)
Accounts payable and accrued liabilities	24,961	(18,779)
Provisions	(16,406)	8,339
Pension plans and employee-related liabilities (current)	(34,257)	19,077
Programming liability (current)	–	15,151
Deferred revenues (current)	(4,376)	20,682
	(94,403)	215,690

25. FINANCIAL INSTRUMENTS

Outlined below are the Corporation's financial instruments and related financial risk management objectives, its policies and its exposure and sensitivity to financial risks.

Accounting Policies

Recognition

Financial assets and financial liabilities are recognized when the Corporation becomes a party to the contractual provisions of the instrument.

Classification and Measurement of Financial Instruments

Financial assets and financial liabilities are initially measured at fair value. The Corporation measures financial instruments by grouping them into classes on initial recognition, based on the nature and purpose of the individual instruments. The Corporation classifies all of its non-derivative financial assets as either designated at fair value through profit or loss (FVTPL) or loans and receivables. The Corporation classifies non-derivative financial liabilities as other financial liabilities.

- Financial instruments at FVTPL - include cash and derivatives. The Corporation initially measures these instruments at fair value, with any changes in fair value arising on remeasurement recognized in "Other income" or "Finance costs" in the Consolidated Statement of Income (Loss).
- Loans and receivables – financial assets with fixed or determinable payments such as accounts receivable and promissory notes receivables. The Corporation initially measures these assets at fair value plus transaction costs directly attributable to acquiring them, and then at amortized cost using the effective interest method, net of any impairment.
- Other liabilities - include accounts payable, bonds and notes payables. The Corporation initially measures these liabilities at fair value less transaction costs directly attributable to issuing them, and then at amortized cost using the effective interest method.

Impairment of financial assets

Management assesses at each reporting end whether there is objective evidence that financial assets are impaired. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial asset have been affected.

For certain categories of financial assets, such as trade receivables, assets are assessed in addition for impairment on a collective basis. Objective evidence of impairment for a group of receivables could include the Corporation's past experience of collecting payments, an increase in the number of delayed payments past the average credit terms as well as observable changes in national or local economic conditions that correlate with default on receivables.

Critical Accounting Estimates and Judgments

There are no critical accounting estimates and judgments related to financial instruments.

Asset/Liability	Classification	Measurement
Cash	FVTPL	Fair value
Trade and other receivables	Loans and receivables	Amortized cost
Promissory notes receivable	Loans and receivables	Amortized cost
Accounts payable and accrued liabilities	Other liabilities	Amortized cost
Bonds payable	Other liabilities	Amortized cost
Notes payable	Other liabilities	Amortized cost
Derivatives	Held for trading	Fair value

Supporting information

A. Fair Value

The fair values of cash, trade and other receivables, the current portion of the promissory notes receivable, the current portion of the investment in finance lease, accounts payable and accrued liabilities, the current portion of the bonds payable, the current portion of the obligations under finance leases and the current portion of the notes payable approximate their carrying value due to the current nature of these instruments.

The carrying values and fair values of the Corporation's remaining financial assets and financial liabilities are listed in the following table:

	March 31, 2016		March 31, 2015		
	Carrying values	Fair values (Level 2)	Carrying values	Fair values (Level 2)	Note
Financial instruments measured at fair value on a recurring basis:					
Derivative financial instruments					
Forward contracts (assets)	–	–	161	161	(a)
Stock options	151	151	108	108	(b)
Total	151	151	269	269	
Forward contracts (liabilities)	159	159	–	–	(a)
Financial instruments measured at amortized cost:					
Promissory notes receivable (non-current)	40,877	48,270	43,507	51,970	(c)
Investment in finance lease (non-current)	44,419	53,507	47,379	57,470	(c)
Bonds payable (non-current)	236,851	317,488	251,237	343,663	(d)
Obligations under finance leases (non-current)	16,581	16,780	20,671	21,629	(d)
Notes payable (non-current)	93,784	107,335	100,513	115,918	(d)

There have been no transfers between levels during the year ended March 31, 2016.

(a) The fair value is based on a discounted cash flow model based on observable forward market prices.

(b) The estimated fair value is determined using an option pricing model whose key inputs include the closing price and volatility of the related shares, published Government bond rates and directly observable dividend yields.

(c) The fair values related to the various amounts receivable were determined using the expected future cash flows and discounted using published Government bond rates with similar terms and characteristics, adjusted by a factor that reflect the credit worthiness of the various counterparties.

(d) The fair values related to the Corporation's various financial liabilities were determined using the expected future cash flows and were discounted using published Government bond rates with similar terms and characteristics, adjusted by a factor that reflects the Corporation's credit worthiness.

B. Capital Risk Management

The Corporation defines capital that it manages as the aggregate of its equity, which is comprised of retained earnings.

The Corporation is not subject to externally imposed capital requirements. The Corporation is, however, subject to Part III of *the Broadcasting Act*, which imposes restrictions in relation to borrowings and requires authorization from Parliament and approval from the Minister of Finance.

The Corporation's objectives in managing capital are to safeguard its ability to continue as a going concern, to fund its asset base and to fulfil its mission and objectives for the Government of Canada to the benefit of Canadians.

The Corporation manages its capital by reviewing formally, on a regular basis, the actual results against set budgets, and shares this information with its Audit Committee and Board of Directors. The Corporation's overall strategy with respect to capital management includes the balancing of its operating and capital activities with its funding on an annual basis. The Corporation makes adjustments to its capital management strategy in light of general economic conditions, the risk characteristics of the underlying assets and the Corporation's working capital requirements.

The Corporation's objectives, policies and processes for managing capital are consistent with those in place as at March 31, 2015.

C. Categories of Financial Instruments

	For the year ended March 31	
	2016	2015
Financial assets		
Fair value through profit or loss (FVTPL)		
Cash	156,465	214,884
Derivative financial instruments	151	269
Loans and receivables	179,898	197,425
Financial liabilities		
Fair value through profit or loss (FVTPL)		
Derivative financial instruments	159	-
Other liabilities	473,939	469,266

D. Financial Risk Management

The Corporation's activities are exposed to a variety of financial risks: market risk, credit risk and liquidity risk. The Corporation's overall risk management program focuses on the unpredictability of financial and economic markets and seeks to minimize potential effects on the Corporation's financial performance. The risk management is carried out through financial management practices in conjunction with the overall Corporation's governance. The Board of Directors is responsible for overseeing the management of financial risk.

E. Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and price risk. The Corporation is exposed to all of these risks.

The Corporation's exposure to market risk and its objectives, policies and processes for managing market risk are consistent with those in place as at March 31, 2015.

F. Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Corporation is exposed to limited foreign exchange risk on revenue and expenses denominated in a foreign currency. The majority of these transactions are denominated in US dollars, Euros and British Pounds. The policy on currency risk requires the Corporation to minimize currency risk to protect the value of foreign cash flows, both committed and anticipated, from the negative impact of exchange rate fluctuations.

The Corporation mitigates this risk by entering into forward exchange contracts. Accordingly, the Corporation has limited sensitivity to changes in foreign exchange rates.

The Corporation's net foreign currency exposure is immaterial as at March 31 2016 (2015 – immaterial).

Based on the net exposure as at March 31, 2016, and assuming all the other variables remain constant, a hypothetical 5% change in the Canadian dollar against the US dollar, the Euro and the GBP would not have a significant impact on the Corporation's net results.

G. Interest Rate Risk

Interest risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Corporation's notes receivable, bonds payable and notes payable bear fixed interest rates and, as such, are subject to interest rate risk because the fair value of the financial instruments will be affected by changes in the market rates. However, a change in fair value would not impact the profit or loss of the Corporation.

For its short-term cash balances, the Corporation has a policy of maximizing interest revenue. Given that the prevailing interest rates on treasury bills and other similar investments have not been favourable, the Corporation did not have any such investments as at March 31, 2016 (March 31, 2015 – nil). The Corporation may invest in marketable securities with terms to maturity of less than one year. To be compliant with the Broadcasting Act, these securities must be fully guaranteed by the Government of Canada (e.g. Canada treasury bills). The Corporation may also place its cash in interest bearing accounts with Schedule I Canadian banks. Consequently, the interest rate risk associated with the cash balances is directly tied to the movements of the Bank of Canada's Key Overnight Lending Rate and to the banks' prime rates. To manage interest rate risk, the Corporation deals with a number of banks to obtain competitive rates and to mitigate its exposure to any one particular investment vehicle.

H. Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Corporation. The Corporation has adopted a policy of only extending credit to creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Corporation's exposure and the credit ratings of its counterparties are continuously monitored. Credit exposure is controlled by counterparty limits that are reviewed and approved by senior management.

The Corporation is exposed to credit risk through its cash, trade and other receivables, forward exchange contracts, promissory notes receivable and investment in finance lease.

The maximum exposure to credit risk of the Corporation at March 31, 2016 and March 31, 2015 is the carrying value of these assets.

Cash

The Corporation has deposited cash with reputable financial institutions (members of the Canadian Payments Association or local Cooperative Credit Societies that are members of a Central Cooperative Credit Society having membership in the Canadian Payments Association or, subject to the approval of the Minister of Finance, any financial institutions outside Canada), from which management believes the risk of loss to be remote.

Trade and other receivables

The Corporation's trade and other receivables are mainly derived from the sale of advertising airtime. Credit risk concentration with respect to trade receivables is limited and managed through a program of credit evaluation and by restricting the amount of customer credit where deemed necessary. The Corporation does not believe that it is exposed to an unusual or significant level of credit risk. See Note 5 for more information.

The Corporation establishes an allowance for doubtful accounts that reflects the estimated impairment of accounts receivable. The Corporation has a specific policy on credit and collections and guidelines that provide for how the allowance should be determined. The Corporation establishes a specific allowance for receivables where there is objective evidence that the receivable is not recoverable. This is determined by considering the Corporation's knowledge of the financial condition of its customers, the aging of accounts receivable, the current economic climate, customer and industry concentrations, and historical experience.

The Corporation's allowance for doubtful accounts amounted to $2.1 million at March 31, 2016 (March 31, 2015 – $2.7 million). See Note 5 for more information.

Promissory notes receivable and investment in finance lease

The Corporation's promissory notes receivable and investment in finance lease are the result of transactions that occurred in 2003, when the Corporation agreed to sell and rent several parcels of land to a wholly-owned subsidiary of the Ontario Teachers' Pension Plan. At the time of the transaction, the Corporation ensured that the counterparty met the criteria set out by the Corporation with regards to credit worthiness and risk, especially given the long-term nature of the receivables. The Corporation monitors the collection of the promissory notes receivable and rental payments associated with the investment in finance lease, which are collected on a monthly basis through the CBC Monetization Trust.

Forward exchange contracts

The policy on currency risk requires that all significant forward contracts, options and other instruments used to economically hedge a foreign currency exposure will be negotiated with providers holding credit ratings equivalent to or better than that of the major Canadian banks. To this end, the Corporation has five counterparties meeting this criterion with which it places all its currency hedging business.

	March 31, 2016		March 31, 2015	
	Notional	Fair values	Notional	Fair values
Forward exchange contracts-$US[1]	13,143	(159)	12,525	161

[1]The forward contracts rates are between 1.31375 and 1.31470 for forward contracts in US dollars and the maturity dates are between April 2016 and January 2017.

I. LIQUIDITY RISK

Liquidity risk is the risk that the Corporation will encounter difficulties in meeting its financial obligations associated with financial liabilities.

The Corporation's approach to managing liquidity risk is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions without incurring losses. The Corporation also manages liquidity risk by continuously monitoring actual and budgeted cash flows. Also, the Board of Directors reviews and approves the Corporation's operating and capital budgets, as well as large transactions.

The Corporation does not have the authority to obtain a line of credit or non-current debt without the prior approval of the Minister of Finance.

The following table presents a maturity analysis of the Corporation's financial liabilities based on the expected cash flows from the date of the Consolidated Statement of Financial Position to the contractual maturity date. The amounts are the contractual undiscounted cash flows.

	Carrying amount of liability at March 31, 2016	Contractual cash flows	Within 1 Year	2 to 5 Years	Over 5 years
Bonds payable	259,120	379,946	33,039	132,155	214,752
Notes payable	102,307	131,939	11,473	45,892	74,574
Finance lease – Transponders	20,671	22,055	12,030	10,025	-
Finance lease – Leasehold improvements	7,386	8,181	703	2,762	4,716

	Carrying amount of liability at March 31, 2015	Contractual cash flows	Within 1 Year	2 to 5 Years	Over 5 years
Bonds payable	272,900	412,984	33,039	132,155	247,790
Notes payable	108,832	143,412	11,473	45,892	86,047
Finance lease – Transponders	30,903	34,085	12,030	22,055	-

26. RELATED PARTIES

The related parties of the Corporation consist mainly of government departments, agencies, Crown Corporations, subsidiaries, key management personnel of the Corporation or close family members of these individuals, private companies over which the Corporation has significant influence, and the Corporate Pension Plan. The Corporation is related in terms of common ownership to all Government of Canada created departments, agencies and Crown corporations.

Accounting Policies	Critical Accounting Estimates and Judgments
The Corporation enters into transactions with these related parties in the normal course of business, on normal trade terms applicable to all individuals and enterprises and at market prices. These transactions are recorded at fair value by the Corporation.	There are no critical accounting estimates and judgments related to related parties.

Supporting information

These transactions are recorded at fair value by the Corporation. The following transactions were carried out with related parties:

A. TRANSACTIONS WITH RELATED PARTIES EXCLUDING GOVERNMENT-RELATED ENTITIES

	Rendering of services		Pension contributions	
	For the year ended March 31			
	2016	2015	2016	2015
Associate	2,401	2,416	-	-
Other related entities[1]	111	121	-	-
Corporate Pension Plan	-	-	56,163	60,062
	2,512	2,537	56,163	60,062

[1] Transactions with other related entities primarily relate to administration services provided to the Corporate Pension Plan.

The following balances were outstanding at the end of the period and are included in Trade and other receivables on the Consolidated Statement of Financial Position:

	Amounts owed by related parties	
	March 31, 2016	March 31, 2015
Associate	579	542
Other related entities	-	-
	579	542

There are no amounts owing to related parties at March 31, 2016 (March 31, 2015 – nil).

The amounts outstanding are unsecured and will be settled in cash. No expense has been recognized in the current or prior periods for bad or doubtful debts in respect of the amounts owed by related parties.

Other Transactions with Associate

There were no significant transactions with the Corporation's associate during the current or previous fiscal year other than the dividends received, as discussed in Note 12.

Transactions with Government-Related Entities

CBC/Radio-Canada is a Federal Crown Corporation that operates in an economic environment dominated by entities directly or indirectly controlled by the federal government through its government authorities, agencies, affiliations and other organizations (collectively referred to as "government-related entities"). The Corporation has transactions with other government-related entities including but not limited to sales and purchases of goods and rendering and receiving of services.

The Corporation has elected to take an exemption under IAS 24 *Related Party Disclosures* which allows government related entities to limit the extent of disclosures about related party transactions with government and other government related entities.

B. Compensation of Key Management Personnel

Key management personnel are those people that have authority and responsibility for planning, directing and controlling the activities of the Corporation. This includes the Senior Executive Team (SET) and all members of the Board of Directors.

The remuneration of the Senior Executive Team during the year was as follows:

	March 31, 2016	March 31, 2015
Short-term benefits[1]	4,326	4,096
Post-employment benefits[2]	1,836	1,545
Other benefits[3]	144	536
	6,306	6,177

[1]Short-term benefits include wages, salaries, social security contributions, paid annual leave, short-term disability, incentive pay (if payable within twelve months of the end of the period) and other benefit packages (healthcare, life insurance, dental, accident insurance) for current employees.

[2]Post-employment benefits such as pensions and post-employment life insurance.

[3]Other benefits include long-term incentive pay, long-term disability, worker's compensation and termination benefits. Termination benefits are benefits that are payable as a result of the Corporation terminating employment before the normal retirement date or an employee's decision to accept an offer of voluntary departure. Termination benefits include termination payments, severance pay and long-service gratuity.

The remuneration of key management personnel is as follows:

Members of the Board of Directors, except the President and CEO, receive meeting fees for Board and Committee meetings based on a fee schedule established by Corporations' by-laws (as approved by the Minister of Canadian Heritage). The Chair of the Board also receives an annual retainer.

The total compensation paid to the members of the Board of Directors, excluding the President and CEO, during the year was $0.3 million (2015 – $0.2 million).

SET members' remuneration, excluding the President and CEO, is approved by the Board of Directors upon recommendation of the Human Resources and Governance Committee, having regard to the performance of individuals and market trends.

27. COMMITMENTS

A commitment is an agreement that is enforceable and legally binding to either make or receive a payment in the future for the purchase or provision of goods and services. These amounts are not recognized in these consolidated financial statements since the Corporation is yet to receive or provide the goods or services contractually agreed.

Accounting Policies	Critical Estimates and Judgments
The Corporation is party to many leasing arrangements, which requires management to determine whether the lease is a finance lease or an operating lease. Leases in which the Corporation assumes substantially all the risks and rewards of ownership are classified as finance leases. Payments made under finance leases are apportioned between financing costs and the reduction of the outstanding liability. The financing costs are allocated to each period so as to produce a constant periodic rate of interest on the remaining balance of the liability. Leases in which the Corporation does not assume substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognized as an expense on a straight-line basis over the lease term. Lease incentives received are recognized as an integral part of the total lease expense over the term of the lease.	The determination that an arrangement to lease a portion of a building owned by the Corporation meets the criteria of an operating lease and that the leased portion of the building does not qualify as investment property under IAS 40 *Investment Property*.

A. PROGRAM-RELATED AND OTHER

This note shows amounts to which the Corporation is contractually committed, but which do not meet the criteria for inclusion in the Consolidated Statement of Financial Position.

	March 31, 2016	March 31, 2015
Facilities management	158,440	200,676
Programming	221,649	147,930
Transmission distribution	29,348	34,806
Maintenance & support	31,936	34,569
Property and equipment	21,014	12,332
Other	28,431	28,974
	490,818	459,287

	March 31, 2016	March 31, 2015
Less than one year	146,457	140,917
Later than one year but not later than five years	272,948	280,649
More than five years	71,413	37,721
	490,818	459,287

B. THE CORPORATION AS A LESSEE - OPERATING LEASES

Operating leases relate to leases of property, network distribution and equipment with remaining lease terms of between one and 27 years. Certain leases contain clauses allowing for the renewal/extension of the original term at market rates. The Corporation does not have an option to purchase any of the property, network distribution or equipment at the expiry of the lease periods.

As at March 31 the future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	March 31, 2016	March 31, 2015
Less than one year	20,735	20,451
Later than one year but not later than five years	69,537	68,850
More than five years	53,443	57,515
	143,715	146,816

The amounts presented above include a total of $49.2 million (March 31, 2015 – $50.8 million) representing operating costs and property taxes payable.

The payments recognized as an expense for minimum lease payments in 2016 amounted to $22.4 million (2015 – $22.3 million).

C. The Corporation as a Lessor - Operating Leases

Operating leases relate to buildings and transmission towers owned by the Corporation with remaining lease terms of between one to 94 years. All operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. The lessee does not have an option to purchase the property at the expiry of the lease period.

As at March 31 the future aggregate minimum lease receivables under non-cancellable operating leases are as follows:

	March 31, 2016	March 31, 2015
Less than one year	13,608	10,209
Later than one year but not later than five years	50,075	38,855
More than five years	325,161	324,629
	388,844	373,693

In addition to the amounts presented above, the Corporation has receivables related to operating expenses and property taxes under building leases that total $162.8 (March 31, 2015 – $157.2 million).

28. Subsequent Events

On May 13, 2016, CBC/Radio-Canada announced its intention to sell its shares by voting in favour of the privatization and recapitalization transaction undertaken by its associate, Sirius XM Canada Holdings (SiriusXM). The transaction would involve the sale of the Corporation's 10.2% economic interest at $4.50 a share, for expected proceeds of approximately $58 million. The completion of the transaction is expected to take place in 2016-2017, subject to certain regulatory and CRTC approvals.

On May 18, 2016, CBC/Radio-Canada issued a progress update on the redevelopment of the Maison de Radio-Canada in Montreal. A shortlist of two proposals is being considered for the development of a new building on a portion of the same site. In addition, four proposals are being considered for the sale of the existing facility. The final choice of proposals for both the new building and sale of the existing facility is expected in the fall of 2016 and will be subject to Governor in Council approval. No significant financial impacts from the sale and redevelopment are currently expected prior to the end of 2016-2017.

BC1-0708-9392
BC1E-PDF-19129239X

Publication and distribution:
Corporate Communications
CBC/Radio-Canada
181 Queen St.
PO Box 3220, Station C
Ottawa, Ontario Canada
K1Y 1E4
613-288-6033
liaison@cbc.ca
cbc.radio-canada.ca